

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF ALEXANDRIA

MADISON COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
11/15/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janet M. Lynch	01-01-08 to 12-31-11
Mayor	Honorable John D. Woods	01-01-08 to 12-31-11
President of the Board of Public Works	Honorable John D. Woods	01-01-08 to 12-31-11
President of the Common Council	Carol Walker	01-01-10 to 12-31-11
Superintendent of Water Utility	Mark Caldwell	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Roger D. Thomas	01-01-10 to 12-31-11



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF ALEXANDRIA, MADISON COUNTY, INDIANA

We have examined the financial statement of the City of Alexandria (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. 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 statement 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 City 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 statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

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

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

STATE BOARD OF ACCOUNTS

September 22, 2011

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## FINANCIAL STATEMENT

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

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

	Cash and Investments		Cash and Investments	
	01-01-10	Receipts	Disbursements	12-31-10
General	\$ 300,663	\$ 3,446,534	\$ 2,702,599	\$ 1,044,598
MVH	444,325	509,141	530,328	423,138
LR&S	141,626	176,639	41,645	276,620
Probation Department	9,353	97,215	83,417	23,151
Trash Fund	5,069	210,000	206,010	9,059
Agressive Driving Grant	89	1,153	1,153	89
Local Police Continuing Education	5,788	4,622	7,920	2,490
Clerk's Document Fees	-	1,228	105	1,123
Riverboat Wagering Tax Revenue	181	39,175	-	39,356
Drug Recovery Funds	1,334	-	163	1,171
Park	106,720	111,592	111,631	106,681
User Fee Law Enf.Con'T.Ed.Fund	12,837	2,391	1,216	14,012
Ambulance Donation	882	587	-	1,469
Fire & Rescue Donation	356	541	378	519
Court Equipment Donation	149	-	-	149
A L S Donation Fund	135	-	-	135
Fema Buy-Out Project (05)	2,303	-	-	2,303
Fema Fire Grant 2004/2009	1,866	-	-	1,866
1999 State Fire Grant	410	-	-	410
Hazardous Waste Clean-Up	13,297	6,133	6,744	12,686
Fire Non-Revert Fund	126,739	211,642	131,646	206,735
Unknown Grant	-	3,108	-	3,108
Fire Copy	150	40	-	190
St. Farm Safe Neighbors Grant	189	-	-	189
Rehab (113 N Harrison St)	-	239,429	232,821	6,608
Rainy Day Fund	4,356	37,124	17,429	24,051
Police K-9 Donation Fund	2,734	1,397	1,243	2,888
Emery Lee Bldg. Donation Fund	698	-	-	698
Usda Police Grant	-	8,540	8,540	-
Lincoln Heights Project	17	-	-	17
Downtown Facade Grant	-	30,000	30,000	-
Feasibility Study Grant	-	2,000	-	2,000
Harrison Street Stimulus	-	24,000	-	24,000
Chamber Econ. Dev. Grant	-	3,390	1,975	1,415
Levy Excess	-	6,185	-	6,185
Federal Cops Grant	760	-	-	760
Yard Waste Management Grant 97	253	-	-	253
Police Pull-Over Grant	-	738	640	98
Community Foundation Als Grant	5	-	-	5
Donations Fund	597	247	97	747
Animal Shelter Donation Fund	231	-	-	231
Pol.Car Restoration Donation	1,775	-	-	1,775
Dive Team Donation	766	1,200	201	1,765
Bike Donation	625	150	104	671
Ordinance Violations Fund	2,715	6,003	2,577	6,141
Harrison St.Tree Donation Proj	8,997	-	-	8,997
Auxiliary Police Donation	45	1,186	1,231	-
Tax Abatement	85	-	-	85
Coit Public Safety Fund	-	223,691	209,816	13,875
Court Non-Revert Fund	11,172	13,800	22,689	2,283
Alex Reserve Police Non-Revert	1,253	175	-	1,428
Animal Control Non-Revert	-	450	-	450
Econ. Dev. Food & Beverage	28,061	134,466	-	162,527
Mayor's Youth Commission	81	-	-	81
C.C.I.	22,600	18,329	23,444	17,485
Cumulative Capital Development	35,750	39,893	23,793	51,850
Police Equipment Donation	14,870	4,300	13,093	6,077
Economic Dev. Project (Edit)	318	-	-	318
Defib Donation (05)	9	-	-	9
Storm Water Management	156,656	327,951	154,500	330,107
Alexandria Insurance	57,956	761,219	801,997	17,178
Police Pension	151,784	250,232	219,731	182,285
Fire Pension	81,516	220,483	153,113	148,886
Park Tree Fund	1,324	1,171	1,166	1,329
Park Non-Reverting Operating	1,640	5,520	2,317	4,843
City Court Fees Due County	1,874	14,340	10,491	5,723
Payroll	25,603	2,599,229	2,600,913	23,919
Emery Lee Security Deposits	895	5,700	5,750	845
Pool Non-Revert Fund	9,577	1,098	9,555	1,120
Redevelopment Donation Fund	4,052	8,772	3,703	9,121
Park Donation	1,649	4,000	4,472	1,177
City Court	82,058	255,296	250,542	86,812
Sewage Operating	181,973	1,217,969	1,284,270	115,672
Sewage Works Sinking	186,705	366,702	366,989	186,418
Sewage Cash Reserve	136,971	73,664	-	210,635
Sewage Construction	565,398	640	206,562	359,476
Water Operating	97,670	706,553	540,901	263,322
Water Meter Deposit	80,340	16,050	11,490	84,900
<b>Totals</b>	<b>\$ 3,138,875</b>	<b>\$ 12,455,023</b>	<b>\$ 11,043,110</b>	<b>\$ 4,550,788</b>

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

CITY OF ALEXANDRIA  
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor 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 statement presents the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government.)

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

Taxes, which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax county adjusted gross income tax, and other taxes that are set by the City.

Special assessments which include amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

CITY OF ALEXANDRIA  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

Fines and forfeits which includes 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).

Net proceeds from borrowings which include receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

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

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

E. Disbursements

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

CITY OF ALEXANDRIA  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Personal services which 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 includes 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 includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

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

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

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

F. Interfund Transfers

The City 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 City. 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 City. 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 City 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.

CITY OF ALEXANDRIA  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City 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 City 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% 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 were 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 statute (IC 5-13-9) authorizes the City 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 City 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 City 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 City by recording as a disbursement and replacement items purchased.

CITY OF ALEXANDRIA  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Note 6. Pension Plan

A. 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 PERF Board, most requirements of the system, and give the City 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11.

CITY OF ALEXANDRIA  
NOTES TO FINANCIAL STATEMENT  
(Continued)

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11.

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF 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:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF.

CITY OF ALEXANDRIA  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

Note 7. Restatements and Reclassifications

For the year ended December 31, 2009, certain changes have been made to the financial statement to more appropriately reflect financial activity of the City. The following schedule presents a summary of restated beginning balances:

Fund	Balance as Reported December 31, 2009	Prior Period Adjustments	Balance as Restated January 1, 2010
Self-Insurance Fund	\$ 325	\$ (325)	\$ -

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

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 Report of the City which is 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 prepared and/or approved by management of the City. It is presented as intended by the City.

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

	General	MVH	LR&S	Probation Department	Trash Fund	Agressive Driving Grant	Local Police Continuing Education	Clerk's Document Fees
Cash and investments - beginning	\$ 300,663	\$ 444,325	\$ 141,626	\$ 9,353	\$ 5,069	\$ 89	\$ 5,788	\$ -
Receipts:								
Taxes	2,004,353	208,397	-	-	-	-	-	-
Licenses and permits	9,154	-	-	-	-	-	-	-
Intergovernmental	1,173,711	298,745	53,652	-	-	1,153	-	-
Charges for services	177,550	1,245	-	-	209,215	-	-	-
Fines and forfeits	25,305	-	-	97,215	-	-	4,622	1,228
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	56,461	754	122,987	-	785	-	-	-
Total receipts	<u>3,446,534</u>	<u>509,141</u>	<u>176,639</u>	<u>97,215</u>	<u>210,000</u>	<u>1,153</u>	<u>4,622</u>	<u>1,228</u>
Disbursements:								
Personal services	2,113,044	201,596	-	50,203	-	-	-	-
Supplies	95,900	163,068	-	3,489	-	-	-	-
Other services and charges	313,718	76,073	41,645	26,219	205,224	-	7,920	-
Capital outlay	22,408	89,591	-	705	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	157,529	-	-	2,801	786	1,153	-	105
Total disbursements	<u>2,702,599</u>	<u>530,328</u>	<u>41,645</u>	<u>83,417</u>	<u>206,010</u>	<u>1,153</u>	<u>7,920</u>	<u>105</u>
Excess (deficiency) of receipts over disbursements	<u>743,935</u>	<u>(21,187)</u>	<u>134,994</u>	<u>13,798</u>	<u>3,990</u>	<u>-</u>	<u>(3,298)</u>	<u>1,123</u>
Cash and investments - ending	<u>\$ 1,044,598</u>	<u>\$ 423,138</u>	<u>\$ 276,620</u>	<u>\$ 23,151</u>	<u>\$ 9,059</u>	<u>\$ 89</u>	<u>\$ 2,490</u>	<u>\$ 1,123</u>

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

	Riverboat Wagering Tax Revenue	Drug Recovery Funds	Park	User Fee Law Enf.Con'T.Ed.Fund	Ambulance Donation	Fire & Rescue Donation	Court Equipment Donation	A L S Donation Fund
Cash and investments - beginning	\$ 181	\$ 1,334	\$ 106,720	\$ 12,837	\$ 882	\$ 356	\$ 149	\$ 135
Receipts:								
Taxes	-	-	67,859	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	39,175	-	7,527	-	-	-	-	-
Charges for services	-	-	27,071	-	-	-	-	-
Fines and forfeits	-	-	-	2,391	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	9,135	-	587	541	-	-
Total receipts	39,175	-	111,592	2,391	587	541	-	-
Disbursements:								
Personal services	-	-	39,967	-	-	-	-	-
Supplies	-	-	9,907	-	-	-	-	-
Other services and charges	-	-	54,896	-	-	-	-	-
Capital outlay	-	-	5,760	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	163	1,101	1,216	-	378	-	-
Total disbursements	-	163	111,631	1,216	-	378	-	-
Excess (deficiency) of receipts over disbursements	39,175	(163)	(39)	1,175	587	163	-	-
Cash and investments - ending	\$ 39,356	\$ 1,171	\$ 106,681	\$ 14,012	\$ 1,469	\$ 519	\$ 149	\$ 135

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

	Fema Buy-Out Project (05)	Fema Fire Grant 2004/2009	1999 State Fire Grant	Hazardous Waste Clean-Up	Fire Non-Revert Fund	Unknown Grant	Fire Copy
Cash and investments - beginning	\$ 2,303	\$ 1,866	\$ 410	\$ 13,297	\$ 126,739	\$ -	\$ 150
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	3,108	-
Charges for services	-	-	-	6,133	211,642	-	40
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,133</u>	<u>211,642</u>	<u>3,108</u>	<u>40</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	6,744	131,646	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,744</u>	<u>131,646</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(611)</u>	<u>79,996</u>	<u>3,108</u>	<u>40</u>
Cash and investments - ending	<u>\$ 2,303</u>	<u>\$ 1,866</u>	<u>\$ 410</u>	<u>\$ 12,686</u>	<u>\$ 206,735</u>	<u>\$ 3,108</u>	<u>\$ 190</u>

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

	St. Farm Safe Neighbors Grant	Rehab (113 N Harrison St)	Rainy Day Fund	Police K-9 Donation Fund	Emery Lee Bldg. Donation Fund	Usda Police Grant	Lincoln Heights Project
Cash and investments - beginning	\$ 189	\$ -	\$ 4,356	\$ 2,734	\$ 698	\$ -	\$ 17
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	239,429	37,124	-	-	8,540	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	1,397	-	-	-
Total receipts	<u>-</u>	<u>239,429</u>	<u>37,124</u>	<u>1,397</u>	<u>-</u>	<u>8,540</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	17,429	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	232,821	-	1,243	-	8,540	-
Total disbursements	<u>-</u>	<u>232,821</u>	<u>17,429</u>	<u>1,243</u>	<u>-</u>	<u>8,540</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>6,608</u>	<u>19,695</u>	<u>154</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 189</u>	<u>\$ 6,608</u>	<u>\$ 24,051</u>	<u>\$ 2,888</u>	<u>\$ 698</u>	<u>\$ -</u>	<u>\$ 17</u>

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

	Downtown Facade Grant	Feasibility Study Grant	Harrison Street Stimulus	Chamber Econ. Dev. Grant	Levy Excess	Federal Cops Grant	Yard Waste Management Grant 97
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 760	\$ 253
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	30,000	2,000	24,000	3,390	6,185	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total receipts</b>	<b>30,000</b>	<b>2,000</b>	<b>24,000</b>	<b>3,390</b>	<b>6,185</b>	<b>-</b>	<b>-</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	30,000	-	-	1,975	-	-	-
<b>Total disbursements</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>1,975</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	2,000	24,000	1,415	6,185	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ 2,000</u>	<u>\$ 24,000</u>	<u>\$ 1,415</u>	<u>\$ 6,185</u>	<u>\$ 760</u>	<u>\$ 253</u>

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

	Police Pull-Over Grant	Community Foundation Als Grant	Donations Fund	Animal Shelter Donation Fund	Pol.Car Restoration Donation	Dive Team Donation	Bike Donation
Cash and investments - beginning	\$ -	\$ 5	\$ 597	\$ 231	\$ 1,775	\$ 766	\$ 625
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	738	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	247	-	-	1,200	150
<b>Total receipts</b>	<b>738</b>	<b>-</b>	<b>247</b>	<b>-</b>	<b>-</b>	<b>1,200</b>	<b>150</b>
Disbursements:							
Personal services	640	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	97	-	-	201	104
<b>Total disbursements</b>	<b>640</b>	<b>-</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>201</b>	<b>104</b>
Excess (deficiency) of receipts over disbursements	98	-	150	-	-	999	46
Cash and investments - ending	<u>\$ 98</u>	<u>\$ 5</u>	<u>\$ 747</u>	<u>\$ 231</u>	<u>\$ 1,775</u>	<u>\$ 1,765</u>	<u>\$ 671</u>

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

	Ordinance Violations Fund	Harrison St. Tree Donation Proj	Auxiliary Police Donation	Tax Abatement	Coit Public Safety Fund	Court Non-Revert Fund	Alex Reserve Police Non-Revert
Cash and investments - beginning	\$ 2,715	\$ 8,997	\$ 45	\$ 85	\$ -	\$ 11,172	\$ 1,253
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	223,691	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	6,003	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	1,186	-	-	13,800	175
Total receipts	<u>6,003</u>	<u>-</u>	<u>1,186</u>	<u>-</u>	<u>223,691</u>	<u>13,800</u>	<u>175</u>
Disbursements:							
Personal services	-	-	-	-	209,816	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,577	-	1,231	-	-	22,689	-
Total disbursements	<u>2,577</u>	<u>-</u>	<u>1,231</u>	<u>-</u>	<u>209,816</u>	<u>22,689</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,426</u>	<u>-</u>	<u>(45)</u>	<u>-</u>	<u>13,875</u>	<u>(8,889)</u>	<u>175</u>
Cash and investments - ending	<u>\$ 6,141</u>	<u>\$ 8,997</u>	<u>\$ -</u>	<u>\$ 85</u>	<u>\$ 13,875</u>	<u>\$ 2,283</u>	<u>\$ 1,428</u>

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

	Animal Control Non-Revert	Econ. Dev. Food & Beverage	Mayor's Youth Commission	C.C.I.	Cumulative Capital Development	Police Equipment Donation	Economic Dev. Project (Edit)
Cash and investments - beginning	\$ -	\$ 28,061	\$ 81	\$ 22,600	\$ 35,750	\$ 14,870	\$ 318
Receipts:							
Taxes	-	134,466	-	-	36,266	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	18,329	3,505	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	450	-	-	-	122	4,300	-
Total receipts	<u>450</u>	<u>134,466</u>	<u>-</u>	<u>18,329</u>	<u>39,893</u>	<u>4,300</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	945	23,793	-	-
Capital outlay	-	-	-	22,499	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	13,093	-
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,444</u>	<u>23,793</u>	<u>13,093</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>450</u>	<u>134,466</u>	<u>-</u>	<u>(5,115)</u>	<u>16,100</u>	<u>(8,793)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 450</u>	<u>\$ 162,527</u>	<u>\$ 81</u>	<u>\$ 17,485</u>	<u>\$ 51,850</u>	<u>\$ 6,077</u>	<u>\$ 318</u>

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

	Defib Donation (05)	Storm Water Management	Alexandria Insurance	Police Pension	Fire Pension	Park Tree Fund	Park Non-Reverting Operating
Cash and investments - beginning	\$ 9	\$ 156,656	\$ 57,956	\$ 151,784	\$ 81,516	\$ 1,324	\$ 1,640
Receipts:							
Taxes	-	299,614	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	28,337	-	245,352	215,781	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	761,219	4,880	4,702	1,171	5,520
Total receipts	-	327,951	761,219	250,232	220,483	1,171	5,520
Disbursements:							
Personal services	-	103,484	-	219,671	153,009	-	-
Supplies	-	10,946	-	16	16	-	-
Other services and charges	-	25,682	801,997	44	88	-	2,317
Capital outlay	-	14,388	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,166	-
Total disbursements	-	154,500	801,997	219,731	153,113	1,166	2,317
Excess (deficiency) of receipts over disbursements	-	173,451	(40,778)	30,501	67,370	5	3,203
Cash and investments - ending	\$ 9	\$ 330,107	\$ 17,178	\$ 182,285	\$ 148,886	\$ 1,329	\$ 4,843

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

	City Court Fees Due County	Payroll	Emery Lee Security Deposits	Pool Non-Revert Fund	Redevelopment Donation Fund	Park Donation	City Court
Cash and investments - beginning	\$ 1,874	\$ 25,603	\$ 895	\$ 9,577	\$ 4,052	\$ 1,649	82,058
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	<u>14,340</u>	<u>2,599,229</u>	<u>5,700</u>	<u>1,098</u>	<u>8,772</u>	<u>4,000</u>	<u>255,296</u>
Total receipts	<u>14,340</u>	<u>2,599,229</u>	<u>5,700</u>	<u>1,098</u>	<u>8,772</u>	<u>4,000</u>	<u>255,296</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	5,750	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>10,491</u>	<u>2,600,913</u>	<u>-</u>	<u>9,555</u>	<u>3,703</u>	<u>4,472</u>	<u>250,542</u>
Total disbursements	<u>10,491</u>	<u>2,600,913</u>	<u>5,750</u>	<u>9,555</u>	<u>3,703</u>	<u>4,472</u>	<u>250,542</u>
Excess (deficiency) of receipts over disbursements	<u>3,849</u>	<u>(1,684)</u>	<u>(50)</u>	<u>(8,457)</u>	<u>5,069</u>	<u>(472)</u>	<u>4,754</u>
Cash and investments - ending	<u>\$ 5,723</u>	<u>\$ 23,919</u>	<u>\$ 845</u>	<u>\$ 1,120</u>	<u>\$ 9,121</u>	<u>\$ 1,177</u>	<u>\$ 86,812</u>

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

	Sewage Operating	Sewage Works Sinking	Sewage Cash Reserve	Sewage Construction	Water Operating	Water Meter Deposit	Totals
Cash and investments - beginning	\$ 181,973	\$ 186,705	\$ 136,971	565,398	\$ 97,670	\$ 80,340	\$ 3,138,875
Receipts:							
Taxes	-	-	-	-	-	-	2,750,955
Licenses and permits	-	-	-	-	-	-	9,154
Intergovernmental	-	-	-	-	-	-	2,663,472
Charges for services	-	-	-	-	-	-	632,896
Fines and forfeits	-	-	-	-	-	-	136,764
Utility fees	1,089,442	-	-	-	625,948	-	1,715,390
Penalties	-	-	-	-	1,455	-	1,455
Other receipts	128,527	366,702	73,664	640	79,150	16,050	4,544,937
Total receipts	1,217,969	366,702	73,664	640	706,553	16,050	12,455,023
Disbursements:							
Personal services	-	-	-	-	-	-	3,091,430
Supplies	-	-	-	-	-	-	283,342
Other services and charges	-	-	-	-	-	-	1,586,311
Capital outlay	277,384	-	-	206,562	114,904	-	771,630
Utility operating expenses	530,317	-	-	-	373,701	11,490	915,508
Other disbursements	476,569	366,989	-	-	52,296	-	4,394,889
Total disbursements	1,284,270	366,989	-	206,562	540,901	11,490	11,043,110
Excess (deficiency) of receipts over disbursements	(66,301)	(287)	73,664	(205,922)	165,652	4,560	1,411,913
Cash and investments - ending	\$ 115,672	\$ 186,418	\$ 210,635	\$ 359,476	\$ 263,322	\$ 84,900	\$ 4,550,788

CITY OF ALEXANDRIA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2010

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

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
City Capital Assets:	
Capital assets, not being depreciated:	
Infrastructure	\$ 21,200,000
Buildings	204,262
Machinery and equipment	<u>2,556,775</u>
Total City Capital Assets	<u>\$ 23,961,037</u>
Utility Capital Assets:	
Water Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	\$ 5,216,640
Machinery and equipment	<u>1,275,103</u>
Total Water Utility capital assets	<u>6,491,743</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	2,750,000
Improvements other than buildings	4,430,000
Machinery and equipment	<u>1,755,585</u>
Total Wastewater Utility capital assets	<u>8,935,585</u>
Total Utility Capital Assets	<u>\$ 15,427,328</u>

CITY OF ALEXANDRIA  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 Decemeber 31, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital lease:			
Ambulance	\$ 66,304	\$ 23,793	Fire
Vac Truck	216,637	51,619	Various
Bonds payable:			
Revenue bonds:			
State Revolving Fund Loan - 2006	368,000	26,556	Wastewater
State Revolving Fund Loan - 2008	<u>4,859,000</u>	<u>339,232</u>	Wastewater
Total debt	<u>\$ 5,509,941</u>	<u>\$ 441,200</u>	

CITY OF ALEXANDRIA  
OTHER REPORT

The report presented herein was prepared in addition to another official report prepared for the individual City office listed below:

City Court

CITY OF ALEXANDRIA  
EXAMINATION RESULTS AND COMMENTS

***INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING***

We identified several deficiencies in the internal control system of the City related to financial transactions and reporting that were considered to be material weaknesses. The City has State Revolving Fund (SRF) Loans related to wastewater improvements which require funds to be deposited into separate bank accounts for debt service obligations, debt reserve requirements, and construction. Receipts, disbursements, and cash balances related to these SRF funds were not recorded in the financial records or the original financial statement of the City. Additionally, bank reconciliations were not performed for the SRF bank accounts.

In addition to the SRF accounts, the City Court maintained separate bank accounts for Court monies. The Court also maintained separate financial records for receipts, disbursements, and cash balances of the court and performed bank reconciliations of those funds. The original financial statement did not include the transactions and cash balances of the City Court.

The original financial statement also contained reporting errors in the General Fund and Payroll Fund as a result of data entry. During the examination, it was identified that the General Fund and Payroll Fund cash balances and disbursement totals did not agree with the City's financial records. Incorrect amounts were entered by the City for disbursements of the General Fund and the Payroll Fund during the preparation of the annual report from which the financial statement is compiled. This data entry error resulted in an understatement of disbursements and overstatement of cash for the General Fund in the amount of \$16,870 and an overstatement of disbursements and an understatement of cash for the Payroll Fund of \$29,757.

The receipt, disbursement, and cash balance errors described were material to the financial statement and required adjustments to the financial statement presented. Those adjustments were approved by management.

A similar comment appeared in prior Report B37470.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***ANNUAL REPORT***

The City did not file their 2010 Annual Report within 60 days of the close of the fiscal year. The Annual Report was filed with the state examiner on April 26, 2011.

A similar comment appeared in prior Report B37470.

CITY OF ALEXANDRIA  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-11-1-4 states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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 filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

**APPROPRIATIONS**

The records presented for examination identified the following disbursements in excess of budgeted appropriations:

Fund	Excess Amount Expended
Local Road and Street	\$ 14,024
Rainy Day	17,429
Cumulative Capital Improvement	4,247
Police Pension	6,881

A similar comment appeared in prior Report B37470.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

**CAPITAL ASSET RECORDS**

The City capital asset records presented for examination were inaccurate. The capital asset records did not include any land and did not include all buildings owned by the City. The buildings category only included three buildings at the street department valued at \$204,462 and eleven wastewater utility lift stations valued at \$2,750,000. The City owns other buildings, such as, city hall, police station, fire station, park structures, water plant structures, and wastewater plant structures that were not included in the capital asset records. Other omissions included, but were not limited too, a 2008 Ambulance for \$105,700 and park improvements and playground equipment. In addition to these omissions, assets were not valued at actual cost and did not reflect an accurate purchase or acquisition date. The capital assets records also included several machinery and equipment items that were below the capital asset threshold of \$750 established by the City's capital asset policy.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. 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)

CITY OF ALEXANDRIA  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**SLOT MACHINE WAGERING RECEIPTS**

Slot Machine Wagering distributions received in 2010 were receipted into the General Fund. Effective July 1, 2009, a separate fund was to be established for slot machine wagering receipts. The City did not establish a separate fund for slot matching wagering receipts.

Indiana Code 36-1-8-9.2 states:

"(a) Each unit that receives:

- (1) tax revenue under IC 4-35-8.5; or
- (2) revenue under an agreement to share the tax revenue received under IC 4-35-8.5 by another unit; shall establish a fund, separate from the unit's general fund, into which the revenue shall be deposited. Money in the fund may be used for any legal or corporate purpose of the unit.

**INTERNAL CONTROLS OVER HYDRANT RENTAL RECEIVABLE (PAYABLE)**

Internal controls regarding the collection of hydrant rental were not adequate. The Water Utility established Rate Ordinance 1485, which set a municipal hydrant rate of \$405.35 per hydrant per annum. The Clerk-Treasurer calculates the amount of hydrant rental due and sends a payment to the utilities twice a year. The Utility office does not generate a bill or enter the amount due in their accounts receivable system. The City paid approximately one half of the amount due for 2010, but still owed the Water Utility hydrant rental of \$22,540 at December 31, 2010. The second half of the hydrant rental, a payment of \$22,540 was made on August 18, 2011, for the remaining amount due for 2010.

Proper controls should be established to ensure that hydrant rental is billed and paid according to the established rate ordinance.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**UTILITY SERVICES**

As similarly stated in prior Report B37470, the City was not billed for water and/or wastewater services provided at the following locations: park concession stand and restrooms, pool and pool office, and the Water Utility plant. All customers receiving utility services should be charged for those services and those customers should be included in the accounts receivable system of the utilities.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF ALEXANDRIA  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

A separate account should be debited with the total monthly billing to all customers for utility services including penalties and sales tax. This account will be credited with the total accounts receivable collections, penalties and sales tax shown by the Register of Daily Cash Receipts - Consumers.

Under normal conditions the individual active accounts of customers should at all times show debit balances and at the end of each month the individual active accounts should be added and the total so obtained checked against the balance of the control account. If any adjustments are necessary to be made either to the control or to the individual active accounts, a proper explanation should be recorded in the records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

CITY OF ALEXANDRIA  
EXIT CONFERENCE

The contents of this report were discussed on September 22, 2011, with Janet M. Lynch, Clerk-Treasurer; Honorable John D. Woods, Mayor; and Carol Walker, President of the Common Council. The officials concurred with our findings.