

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF ARGOS

MARSHALL COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
11/16/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patricia S. Jones	07-14-08 to 12-31-11
President of the Town Council	George A. Null Dave Walker	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of Utilities	John Archambeault	01-01-10 to 12-31-11



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ARGOS, MARSHALL COUNTY, INDIANA

We have examined the financial statement of the Town of Argos (Town), for the period of January 1, 2010 to December 31, 2010. The Town'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 Town prepares its financial statement 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 Town 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 Town's management, the Town 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 27, 2011

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FINANCIAL STATEMENT

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

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

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 362,112	\$ 943,224	\$ 927,922	\$ 377,414
Cash Change	175	-	-	175
Motor Vehicle Highway	193,192	102,692	167,763	128,121
Local Road And Street	51,617	7,245	-	58,862
Cemetery	105,989	4,386	18,576	91,799
Law Enforcement Continuing Ed	27,032	1,934	8,138	20,828
Parks And Recreation	144,361	115,742	204,543	55,560
Park Donation	3,550	-	-	3,550
Ambulance	116,519	79,895	98,483	97,931
Rainy Day	131,610	28,650	-	160,260
Park Grant	(91,446)	111,446	20,000	-
Library	(2,570)	2,570	-	-
B & R Building	(62)	5,299	6,404	(1,167)
Insurance Claims	5,536	-	-	5,536
Fire Billing	8,912	3,116	7,530	4,498
Park Concessions	1,683	1,643	1,138	2,188
Housing Grant #1	8,236	-	-	8,236
Housing Grant #2	3,453	-	-	3,453
Cemetery Perpetual Care	45,128	11,062	14,874	41,316
Ambulance Donation	12,705	825	743	12,787
Police Fund	1,704	11,269	170	12,803
Cemetery Foundations	3,200	4,300	6,600	900
Cumulative Capital Improvement	158,341	14,595	35,000	137,936
Cumulative Capital Development	93,143	39,762	58,013	74,892
Storm Sewer Construction	198,381	2,960	17,850	183,491
TIF District 2	2	23,199	-	23,201
Payroll	(1,359)	236,215	222,530	12,326
Electric Utility-Operating	1,147,534	2,380,322	2,540,248	987,608
Electric Utility-Depreciation	953,808	9,303	-	963,111
Electric Utility-Customer Deposit	25,853	8,284	6,965	27,172
Electric Utility-Cash Reserve	865,819	982,692	447,500	1,401,011
Street Light Grant	-	104,544	104,544	-
Wastewater Utility-Operating	107,703	368,826	313,255	163,274
Wastewater Utility-Bond And Interest	49,058	93,600	83,658	59,000
Wastewater Utility-Depreciation	73,718	-	-	73,718
Wastewater Utility-Debt Service Reserve	103,776	423	-	104,199
Water Utility-Operating	157,245	797,949	790,900	164,294
Water Utility-Bond And Interest	37,051	49,501	49,338	37,214
Water Utility-Depreciation	(2,717)	40,795	-	38,078
Water Utility-Customer Deposit	12,520	3,690	3,687	12,523
Water Utility-Debt Service Reserve	48,261	5,100	-	53,361
Totals	<u>\$ 5,160,773</u>	<u>\$ 6,597,058</u>	<u>\$ 6,156,372</u>	<u>\$ 5,601,459</u>

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

TOWN OF ARGOS
NOTES TO FINANCIAL STATEMENT

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, electric, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the Town (primary government), and does not include financial information for any of the Town'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 Town (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 statement. 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 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.

TOWN OF ARGOS
NOTES TO FINANCIAL STATEMENT
(Continued)

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, 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: copies of public records, copy machine charges, accident report copies, gun permit applications, recycling fees, dog pound fees, emergency medical service fees, park rental fees, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, and court costs.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

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

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

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

TOWN OF ARGOS
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 ARGOS
NOTES TO FINANCIAL STATEMENT
(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 and replacement items purchased.

Note 6. *Pension Plans*

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 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.

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:

TOWN OF ARGOS
NOTES TO FINANCIAL STATEMENT
(Continued)

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. 1977 Police Officers' Pension and Disability Fund

Plan Description

The 1977 Police Officers' 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 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 Town are established by the Board of Trustees of PERF.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the Town 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 Town. It is presented as intended by the Town.

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

	General	Cash Change	Motor Vehicle Highway	Local Road And Street	Cemetery	Law Enforcement Continuing Ed	Parks And Recreation
Cash and investments - beginning	\$ 362,112	\$ 175	\$ 193,192	\$ 51,617	\$ 105,989	\$ 27,032	\$ 144,361
Receipts:							
Taxes	502,111	-	50,134	-	-	-	30,315
Licenses and permits	4,060	-	-	-	-	507	-
Intergovernmental	241,623	-	45,637	7,245	-	-	29,203
Charges for services	181,711	-	-	-	3,540	-	4,730
Fines and forfeits	1,763	-	-	-	-	1,027	-
Utility fees	-	-	-	-	-	-	-
Other receipts	11,956	-	6,921	-	846	400	51,494
Total receipts	<u>943,224</u>	<u>-</u>	<u>102,692</u>	<u>7,245</u>	<u>4,386</u>	<u>1,934</u>	<u>115,742</u>
Disbursements:							
Personal services	399,535	-	88,609	-	-	-	28,208
Supplies	32,520	-	18,185	-	21	-	19,734
Other services and charges	191,999	-	25,056	-	15,555	8,138	1,828
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	42,090	-	35,913	-	3,000	-	154,723
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	261,778	-	-	-	-	-	50
Total disbursements	<u>927,922</u>	<u>-</u>	<u>167,763</u>	<u>-</u>	<u>18,576</u>	<u>8,138</u>	<u>204,543</u>
Excess (deficiency) of receipts over disbursements	<u>15,302</u>	<u>-</u>	<u>(65,071)</u>	<u>7,245</u>	<u>(14,190)</u>	<u>(6,204)</u>	<u>(88,801)</u>
Cash and investments - ending	<u>\$ 377,414</u>	<u>\$ 175</u>	<u>\$ 128,121</u>	<u>\$ 58,862</u>	<u>\$ 91,799</u>	<u>\$ 20,828</u>	<u>\$ 55,560</u>

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

	Park Donation	Ambulance	Rainy Day	Park Grant	Library	B & R Building	Insurance Claims
Cash and investments - beginning	\$ 3,550	\$ 116,519	\$ 131,610	\$ (91,446)	\$ (2,570)	\$ (62)	\$ 5,536
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	28,650	111,446	-	-	-
Charges for services	-	70,562	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	9,333	-	-	2,570	5,299	-
Total receipts	-	79,895	28,650	111,446	2,570	5,299	-
Disbursements:							
Personal services	-	44,696	-	-	-	-	-
Supplies	-	10,026	-	-	-	-	-
Other services and charges	-	10,791	-	20,000	-	3,429	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	14,499	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	18,471	-	-	-	2,975	-
Total disbursements	-	98,483	-	20,000	-	6,404	-
Excess (deficiency) of receipts over disbursements	-	(18,588)	28,650	91,446	2,570	(1,105)	-
Cash and investments - ending	\$ 3,550	\$ 97,931	\$ 160,260	\$ -	\$ -	\$ (1,167)	\$ 5,536

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

	Fire Billing	Park Concessions	Housing Grant #1	Housing Grant #2	Cemetery Perpetual Care	Ambulance Donation	Police Fund
Cash and investments - beginning	\$ 8,912	\$ 1,683	\$ 8,236	\$ 3,453	\$ 45,128	\$ 12,705	\$ 1,704
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	10,385	-	-
Fines and forfeits	-	-	-	-	-	-	11,269
Utility fees	-	-	-	-	-	-	-
Other receipts	3,116	1,643	-	-	677	825	-
Total receipts	<u>3,116</u>	<u>1,643</u>	<u>-</u>	<u>-</u>	<u>11,062</u>	<u>825</u>	<u>11,269</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	1,138	-	-	-	743	-
Other services and charges	7,530	-	-	-	14,874	-	170
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>7,530</u>	<u>1,138</u>	<u>-</u>	<u>-</u>	<u>14,874</u>	<u>743</u>	<u>170</u>
Excess (deficiency) of receipts over disbursements	<u>(4,414)</u>	<u>505</u>	<u>-</u>	<u>-</u>	<u>(3,812)</u>	<u>82</u>	<u>11,099</u>
Cash and investments - ending	<u>\$ 4,498</u>	<u>\$ 2,188</u>	<u>\$ 8,236</u>	<u>\$ 3,453</u>	<u>\$ 41,316</u>	<u>\$ 12,787</u>	<u>\$ 12,803</u>

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

	Cemetery Foundations	Cumulative Capital Improvement	Cumulative Capital Development	Storm Sewer Construction	TIF District 2	Payroll	Electric Utility-Operating
Cash and investments - beginning	\$ 3,200	\$ 158,341	\$ 93,143	\$ 198,381	\$ 2	\$ (1,359)	\$ 1,147,534
Receipts:							
Taxes	-	-	10,868	-	23,199	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	4,723	708	-	-	-	63,771
Charges for services	4,300	-	28,000	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	2,264,647
Other receipts	-	9,872	186	2,960	-	236,215	51,904
Total receipts	4,300	14,595	39,762	2,960	23,199	236,215	2,380,322
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	6,600	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	35,000	58,013	17,850	-	-	146,980
Utility operating expenses	-	-	-	-	-	-	2,001,943
Other disbursements	-	-	-	-	-	222,530	391,325
Total disbursements	6,600	35,000	58,013	17,850	-	222,530	2,540,248
Excess (deficiency) of receipts over disbursements	(2,300)	(20,405)	(18,251)	(14,890)	23,199	13,685	(159,926)
Cash and investments - ending	\$ 900	\$ 137,936	\$ 74,892	\$ 183,491	\$ 23,201	\$ 12,326	\$ 987,608

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

	Electric Utility-Depreciation	Electric Utility-Customer Deposit	Electric Utility-Cash Reserve	Street Light Grant	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility-Depreciation
Cash and investments - beginning	\$ 953,808	\$ 25,853	\$ 865,819	\$ -	\$ 107,703	\$ 49,058	\$ 73,718
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	366,025	-	-
Other receipts	9,303	8,284	982,692	104,544	2,801	93,600	-
Total receipts	9,303	8,284	982,692	104,544	368,826	93,600	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	83,658	-
Capital outlay	-	-	-	-	15,723	-	-
Utility operating expenses	-	6,965	-	-	203,932	-	-
Other disbursements	-	-	447,500	104,544	93,600	-	-
Total disbursements	-	6,965	447,500	104,544	313,255	83,658	-
Excess (deficiency) of receipts over disbursements	9,303	1,319	535,192	-	55,571	9,942	-
Cash and investments - ending	\$ 963,111	\$ 27,172	\$ 1,401,011	\$ -	\$ 163,274	\$ 59,000	\$ 73,718

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

	Wastewater Utility-Debt Service Reserve	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility-Depreciation	Water Utility-Customer Deposit	Water Utility-Debt Service Reserve	Totals
Cash and investments - beginning	\$ 103,776	\$ 157,245	\$ 37,051	\$ (2,717)	\$ 12,520	\$ 48,261	\$ 5,160,773
Receipts:							
Taxes	-	-	-	-	-	-	616,627
Licenses and permits	-	-	-	-	-	-	4,567
Intergovernmental	-	-	-	-	-	-	533,006
Charges for services	-	-	-	-	-	-	303,228
Fines and forfeits	-	-	-	-	-	-	14,059
Utility fees	-	321,340	-	-	-	-	2,952,012
Other receipts	423	476,609	49,501	40,795	3,690	5,100	2,173,559
Total receipts	423	797,949	49,501	40,795	3,690	5,100	6,597,058
Disbursements:							
Personal services	-	-	-	-	-	-	561,048
Supplies	-	-	-	-	-	-	82,367
Other services and charges	-	-	-	-	-	-	305,970
Debt service - principal and interest	-	-	49,338	-	-	-	132,996
Capital outlay	-	13,268	-	-	-	-	537,059
Utility operating expenses	-	178,286	-	-	3,230	-	2,394,356
Other disbursements	-	599,346	-	-	457	-	2,142,576
Total disbursements	-	790,900	49,338	-	3,687	-	6,156,372
Excess (deficiency) of receipts over disbursements	423	7,049	163	40,795	3	5,100	440,686
Cash and investments - ending	\$ 104,199	\$ 164,294	\$ 37,214	\$ 38,078	\$ 12,523	\$ 53,361	\$ 5,601,459

TOWN OF ARGOS
 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 260,000
Buildings	656,907
Improvements other than buildings	330,551
Machinery and equipment	<u>1,634,694</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 2,882,152</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 5,090
Buildings	724,506
Improvements other than buildings	2,425,718
Machinery and equipment	<u>335,254</u>
Total Water Utility capital assets	<u>3,490,568</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	44,685
Buildings	1,677,313
Improvements other than buildings	573,344
Machinery and equipment	<u>357,046</u>
Total Wastewater Utility capital assets	<u>2,652,388</u>
Electric Utility:	
Capital assets, not being depreciated:	
Land	34,605
Buildings	604,303
Improvements other than buildings	2,014,318
Machinery and equipment	<u>660,000</u>
Total Electric Utility capital assets	<u>3,313,226</u>
Total business-type activities capital assets	<u>\$ 9,456,182</u>

TOWN OF ARGOS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Vactor Truck	\$ 44,363	\$ 15,864
Fire Truck	<u>80,413</u>	<u>29,103</u>
Total governmental activities debt	<u>\$ 124,776</u>	<u>\$ 44,967</u>
Business-type activities:		
Water Utility:		
Capital leases:		
Vactor Truck	\$ 8,872	\$ 3,173
Loans:		
Rural Development	752,000	48,720
Electric Utility	<u>477,000</u>	<u>79,500</u>
Total Water Utility	<u>1,237,872</u>	<u>131,393</u>
Wastewater Utility:		
Capital leases:		
Vactor Truck	26,618	9,519
Revenue bonds:		
SRF Loan of 2001	<u>662,000</u>	<u>94,198</u>
Total Wastewater Utility	<u>688,618</u>	<u>103,717</u>
Electric Utility:		
Capital leases:		
Vactor Truck	<u>8,872</u>	<u>3,173</u>
Total business-type activities debt	<u>\$ 1,935,362</u>	<u>\$ 238,283</u>

TOWN OF ARGOS
EXIT CONFERENCE

The contents of this report were discussed on September 27, 2011, with Patricia S. Jones, Clerk-Treasurer, and Dave Walker, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.