

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF ALAMO

MONTGOMERY COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
10/12/2012



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda Larson Melvin Davidson Kathy Hesler	01-01-09 to 06-30-10 07-01-10 to 11-30-10 12-01-10 to 12-31-12
President of the Town Council	Melvin Davidson	01-01-10 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ALAMO, MONTGOMERY COUNTY, INDIANA

We have examined the financial statements of the Town of Alamo (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.

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, 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

August 9, 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 ALAMO  
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	\$ 30,829	\$ 16,158	\$ 12,145	\$ 34,842
Riverboat	1,717	857	-	2,574
Rainy Day	216	158	-	374
CCIF	209	-	-	209
Cumulative Capital Development	1,801	121	-	1,922
Totals	<u>\$ 34,772</u>	<u>\$ 17,294</u>	<u>\$ 12,145</u>	<u>\$ 39,921</u>

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

TOWN OF ALAMO  
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	\$ 34,842	\$ 15,086	\$ 14,256	\$ 35,672
Riverboat	2,574	857	-	3,431
Rainy Day	374	-	-	374
Levy Excess	-	396	-	396
Cumulative Capital Development	1,922	186	12	2,096
CCIF	209	393	602	-
Totals	<u>\$ 39,921</u>	<u>\$ 16,918</u>	<u>\$ 14,870</u>	<u>\$ 41,969</u>

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

TOWN OF ALAMO  
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, and general administrative services.

The accompanying financial statements present the financial information for the Town.

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

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

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.

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).

TOWN OF ALAMO  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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

TOWN OF ALAMO  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. *Property Taxes***

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. *Deposits and Investments***

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

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

	General	Riverboat	Rainy Day	CCIF	Cumulative Capital Development	Totals
Cash and investments - beginning	\$ 30,829	\$ 1,717	\$ 216	\$ 209	\$ 1,801	\$ 34,772
Receipts:						
Intergovernmental	16,158	857	158	-	121	17,294
Total receipts	16,158	857	158	-	121	17,294
Disbursements:						
Personal services	7,015	-	-	-	-	7,015
Supplies	505	-	-	-	-	505
Other services and charges	4,625	-	-	-	-	4,625
Total disbursements	12,145	-	-	-	-	12,145
Excess (deficiency) of receipts over disbursements	4,013	857	158	-	121	5,149
Cash and investments - ending	\$ 34,842	\$ 2,574	\$ 374	\$ 209	\$ 1,922	\$ 39,921

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

	General	Riverboat	Rainy Day	Levy Excess	Cumulative Capital Development	CCIF	Totals
Cash and investments - beginning	\$ 34,842	\$ 2,574	\$ 374	\$ -	\$ 1,922	\$ 209	\$ 39,921
Receipts:							
Taxes	-	-	-	-	186	-	186
Intergovernmental	14,262	857	-	-	-	393	15,512
Fines and forfeits	50	-	-	-	-	-	50
Other receipts	774	-	-	396	-	-	1,170
Total receipts	<u>15,086</u>	<u>857</u>	<u>-</u>	<u>396</u>	<u>186</u>	<u>393</u>	<u>16,918</u>
Disbursements:							
Personal services	3,055	-	-	-	-	-	3,055
Supplies	389	-	-	-	-	-	389
Other services and charges	10,428	-	-	-	-	-	10,428
Other disbursements	384	-	-	-	12	602	998
Total disbursements	<u>14,256</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12</u>	<u>602</u>	<u>14,870</u>
Excess (deficiency) of receipts over disbursements	<u>830</u>	<u>857</u>	<u>-</u>	<u>396</u>	<u>174</u>	<u>(209)</u>	<u>2,048</u>
Cash and investments - ending	<u>\$ 35,672</u>	<u>\$ 3,431</u>	<u>\$ 374</u>	<u>\$ 396</u>	<u>\$ 2,096</u>	<u>\$ -</u>	<u>\$ 41,969</u>

TOWN OF ALAMO  
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.

	<u>Ending Balance</u>
Governmental activities:	
Land	<u>\$          5,000</u>
Total capital assets	<u><u>\$          5,000</u></u>

TOWN OF ALAMO  
EXAMINATION RESULT AND COMMENT

***PRESCRIBED FORMS***

The following prescribed or approved forms were not always in use:

Mileage Claim Form 101 was not used. Town Accounts Payable vouchers (Form 39) were used instead. The accounts payable voucher does not list the miles traveled, date of travel, purpose of travel, or rate of payment.

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

TOWN OF ALAMO  
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2012, with Kathy Hesler, Clerk-Treasurer. The official concurred with our findings.