

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF HAMILTON

STEBEN COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED
10/21/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Hester Stouder	01-01-08 to 12-31-15
President of the Town Council	Brent Shull	01-01-10 to 12-31-10
	Will Nuttle	01-01-11 to 12-31-11
	Robert Howard	01-01-12 to 12-31-12
	Mary Vail	01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF HAMILTON, STEUBEN COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Hamilton (Town), for the period of January 1, 2010 to December 31, 2012. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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 Indiana 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the period of January 1, 2010 to December 31, 2012.

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 period of January 1, 2010 to December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

Bruce Hartman
State Examiner

October 2, 2013

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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 HAMILTON
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	\$ 660,563	\$ 824,037	\$ 676,936	\$ 807,664
Motor Vehicle Highway	175,743	190,956	169,647	197,052
Local Road And Street	8,527	10,343	3,269	15,601
Law Enforcement Continuing Education	4,242	1,165	2,457	2,950
Rainy Day	39,456	132,742	-	172,198
BIF/Hamilton Lake Dam	62,828	-	740	62,088
Levy Excess	-	2,358	-	2,358
Local Major Moves Construction	404,719	89,740	288,861	205,598
Police Donation	500	-	-	500
LOIT Public Safety	72,912	68,597	25,766	115,743
Cable TV Security Deposit	2,000	-	-	2,000
Cumulative Capital Development	166,451	95,885	158,766	103,570
Parks And Recreation Nonreverting Capital	34,586	8,550	17,150	25,986
County Economic Development Tax (CEDIT)	59,789	63,249	36,360	86,678
Cumulative Capital Improvement	2,505	4,521	1,402	5,624
Garbage Collection	11,021	134,543	116,618	28,946
Payroll Deductions	-	188,039	199,967	(11,928)
Fire Department	52,610	110,156	90,871	71,895
Water Utility Operating	171,377	478,883	478,746	171,514
Water Utility Bond Sinking	30,714	117,900	117,145	31,469
Water Utility Improvement	149,994	99,600	138,247	111,347
Water Utility Meter Deposit	5,250	3,375	2,850	5,775
Water Utility Debt Service	88,800	-	-	88,800
Totals	<u>\$ 2,204,587</u>	<u>\$ 2,624,639</u>	<u>\$ 2,525,798</u>	<u>\$ 2,303,428</u>

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

TOWN OF HAMILTON
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	\$ 807,664	\$ 707,448	\$ 610,385	\$ 904,727
Motor Vehicle Highway	197,052	182,778	185,836	193,994
Local Road And Street	15,601	9,116	2,094	22,623
Law Enforcement Continuing Education	2,950	1,491	1,112	3,329
Rainy Day	172,198	3,909	-	176,107
Levy Excess	2,358	-	2,358	-
Local Major Moves Construction	205,598	-	-	205,598
Cumulative Capital Development	103,570	91,739	-	195,309
Parks And Recreation Nonreverting Capital	25,986	3,542	14,387	15,141
County Economic Development Tax (CEDIT)	86,678	48,471	21,016	114,133
Cumulative Capital Improvement	5,624	4,434	1,200	8,858
BIF/Hamilton Lake Dam	62,088	5,000	108	66,980
Police Donation	500	1,000	-	1,500
LOIT Public Safety	115,743	53,169	13,174	155,738
Cable TV Security Deposit	2,000	-	-	2,000
Garbage Collection	28,946	154,249	153,208	29,987
Payroll Deductions	(11,928)	183,438	172,180	(670)
Fire Department	71,895	119,675	93,438	98,132
Water Utility Operating	171,514	541,221	457,597	255,138
Water Utility Bond Sinking	31,469	117,342	117,341	31,470
Water Utility Improvement	111,347	95,199	104,846	101,700
Water Utility Meter Deposit	5,775	4,000	2,525	7,250
Water Utility Debt Service	88,800	-	-	88,800
Totals	<u>\$ 2,303,428</u>	<u>\$ 2,327,221</u>	<u>\$ 1,952,805</u>	<u>\$ 2,677,844</u>

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

TOWN OF HAMILTON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 904,727	\$ 878,481	\$ 687,657	\$ 1,095,551
Motor Vehicle Highway	193,994	208,404	166,338	236,060
Local Road And Street	22,623	10,200	7,141	25,682
Law Enforcement Continuing Education	3,329	1,759	2,042	3,046
Rainy Day	176,107	-	30,621	145,486
Levy Excess	-	1,415	-	1,415
Local Major Moves Construction	205,598	-	79,859	125,739
Cumulative Capital Development	195,309	94,477	16,812	272,974
Parks And Recreation Nonreverting Capital	15,141	3,550	-	18,691
County Economic Development Tax (CEDIT)	114,133	71,088	39,412	145,809
Cumulative Capital Improvement	8,858	4,063	1,889	11,032
BIF/Hamilton Lake Dam	66,980	14,000	80,980	-
Police Donation	1,500	25	192	1,333
LOIT Public Safety	155,738	80,003	3,547	232,194
Cable TV Security Deposit	2,000	-	-	2,000
Garbage Collection	29,987	153,880	141,036	42,831
Payroll Deductions	(670)	198,558	196,188	1,700
Fire Department	98,132	132,656	100,220	130,568
Water Utility Operating	255,138	561,185	467,534	348,789
Water Utility Bond Sinking	31,470	117,347	117,440	31,377
Water Utility Improvement	101,700	117,102	95,372	123,430
Water Utility Meter Deposit	7,250	3,161	3,611	6,800
Water Utility Debt Service	88,800	-	-	88,800
Totals	<u>\$ 2,677,844</u>	<u>\$ 2,651,354</u>	<u>\$ 2,237,891</u>	<u>\$ 3,091,307</u>

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

TOWN OF HAMILTON
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, culture and recreation, public improvements, planning and zoning, general administrative services, water, and trash.

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

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana 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 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.

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,

TOWN OF HAMILTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

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, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

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

Penalties which include fees received for late payments.

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

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

TOWN OF HAMILTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

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

TOWN OF HAMILTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plan

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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

TOWN OF HAMILTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's Annual Report information for years 2011 and later 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 HAMILTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Education	Rainy Day	BIF/Hamilton Lake Dam
Cash and investments - beginning	\$ 660,563	\$ 175,743	\$ 8,527	\$ 4,242	\$ 39,456	\$ 62,828
Receipts:						
Taxes	527,620	142,075	-	-	-	-
Licenses and permits	6,321	-	-	233	-	-
Intergovernmental	212,412	45,375	10,343	-	-	-
Charges for services	13,343	-	-	377	-	-
Fines and forfeits	14,741	-	-	555	-	-
Utility fees	-	-	-	-	-	-
Other receipts	49,600	3,506	-	-	132,742	-
Total receipts	824,037	190,956	10,343	1,165	132,742	-
Disbursements:						
Personal services	300,043	108,038	-	162	-	-
Supplies	23,572	18,047	-	2,000	-	-
Other services and charges	317,083	21,339	-	-	-	740
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	36,238	22,223	3,269	295	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	676,936	169,647	3,269	2,457	-	740
Excess (deficiency) of receipts over disbursements	147,101	21,309	7,074	(1,292)	132,742	(740)
Cash and investments - ending	<u>\$ 807,664</u>	<u>\$ 197,052</u>	<u>\$ 15,601</u>	<u>\$ 2,950</u>	<u>\$ 172,198</u>	<u>\$ 62,088</u>

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

	Levy Excess	Local Major Moves Construction	Police Donation	LOIT Public Safety	Cable TV Security Deposit	Cumulative Capital Development
Cash and investments - beginning	\$ -	\$ 404,719	\$ 500	\$ 72,912	\$ 2,000	\$ 166,451
Receipts:						
Taxes	-	-	-	-	-	92,895
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	89,740	-	68,597	-	2,990
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	2,358	-	-	-	-	-
Total receipts	2,358	89,740	-	68,597	-	95,885
Disbursements:						
Personal services	-	-	-	25,766	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	288,861	-	-	-	158,766
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	288,861	-	25,766	-	158,766
Excess (deficiency) of receipts over disbursements	2,358	(199,121)	-	42,831	-	(62,881)
Cash and investments - ending	\$ 2,358	\$ 205,598	\$ 500	\$ 115,743	\$ 2,000	\$ 103,570

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

	Parks And Recreation Nonreverting Capital	County Economic Development Tax (CEDIT)	Cumulative Capital Improvement	Garbage Collection	Payroll Deductions	Fire Department
Cash and investments - beginning	\$ 34,586	\$ 59,789	\$ 2,505	\$ 11,021	\$ -	\$ 52,610
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	63,249	4,521	-	-	-
Charges for services	-	-	-	134,543	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	8,550	-	-	-	188,039	110,156
Total receipts	<u>8,550</u>	<u>63,249</u>	<u>4,521</u>	<u>134,543</u>	<u>188,039</u>	<u>110,156</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	17,150	8,758	1,402	116,618	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	27,602	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	199,967	90,871
Total disbursements	<u>17,150</u>	<u>36,360</u>	<u>1,402</u>	<u>116,618</u>	<u>199,967</u>	<u>90,871</u>
Excess (deficiency) of receipts over disbursements	<u>(8,600)</u>	<u>26,889</u>	<u>3,119</u>	<u>17,925</u>	<u>(11,928)</u>	<u>19,285</u>
Cash and investments - ending	<u>\$ 25,986</u>	<u>\$ 86,678</u>	<u>\$ 5,624</u>	<u>\$ 28,946</u>	<u>\$ (11,928)</u>	<u>\$ 71,895</u>

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

	Water Utility Operating	Water Utility Bond Sinking	Water Utility Improvement	Water Utility Meter Deposit	Water Utility Debt Service	Totals
Cash and investments - beginning	\$ 171,377	\$ 30,714	\$ 149,994	\$ 5,250	\$ 88,800	\$ 2,204,587
Receipts:						
Taxes	-	-	-	-	-	762,590
Licenses and permits	-	-	-	-	-	6,554
Intergovernmental	-	-	-	-	-	497,227
Charges for services	-	-	-	-	-	148,263
Fines and forfeits	-	-	-	-	-	15,296
Utility fees	475,321	-	-	-	-	475,321
Other receipts	<u>3,562</u>	<u>117,900</u>	<u>99,600</u>	<u>3,375</u>	<u>-</u>	<u>719,388</u>
Total receipts	<u>478,883</u>	<u>117,900</u>	<u>99,600</u>	<u>3,375</u>	<u>-</u>	<u>2,624,639</u>
Disbursements:						
Personal services	-	-	-	-	-	434,009
Supplies	-	-	-	-	-	43,619
Other services and charges	-	-	-	-	-	483,090
Debt service - principal and interest	-	117,145	-	-	-	117,145
Capital outlay	16,056	-	138,247	-	-	691,557
Utility operating expenses	187,992	-	-	2,850	-	190,842
Other disbursements	<u>274,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>565,536</u>
Total disbursements	<u>478,746</u>	<u>117,145</u>	<u>138,247</u>	<u>2,850</u>	<u>-</u>	<u>2,525,798</u>
Excess (deficiency) of receipts over disbursements	<u>137</u>	<u>755</u>	<u>(38,647)</u>	<u>525</u>	<u>-</u>	<u>98,841</u>
Cash and investments - ending	<u>\$ 171,514</u>	<u>\$ 31,469</u>	<u>\$ 111,347</u>	<u>\$ 5,775</u>	<u>\$ 88,800</u>	<u>\$ 2,303,428</u>

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

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Education	Rainy Day	Levy Excess
Cash and investments - beginning	\$ 807,664	\$ 197,052	\$ 15,601	\$ 2,950	\$ 172,198	\$ 2,358
Receipts:						
Taxes	615,785	128,480	-	-	-	-
Licenses and permits	6,995	-	-	308	-	-
Intergovernmental	55,732	50,041	9,116	-	-	-
Charges for services	1,445	-	-	361	-	-
Fines and forfeits	15,566	-	-	384	-	-
Utility fees	-	-	-	-	-	-
Other receipts	11,925	4,257	-	438	3,909	-
Total receipts	707,448	182,778	9,116	1,491	3,909	-
Disbursements:						
Personal services	301,572	108,398	-	-	-	-
Supplies	26,522	24,437	-	1,112	-	-
Other services and charges	259,362	20,899	2,094	-	-	-
Capital outlay	1,468	32,102	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	21,461	-	-	-	-	2,358
Total disbursements	610,385	185,836	2,094	1,112	-	2,358
Excess (deficiency) of receipts over disbursements	97,063	(3,058)	7,022	379	3,909	(2,358)
Cash and investments - ending	<u>\$ 904,727</u>	<u>\$ 193,994</u>	<u>\$ 22,623</u>	<u>\$ 3,329</u>	<u>\$ 176,107</u>	<u>\$ -</u>

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

	Local Major Moves Construction	Cumulative Capital Development	Parks And Recreation Nonreverting Capital	County Economic Development Tax (CEDIT)	Cumulative Capital Improvement	BIF/Hamilton Lake Dam
Cash and investments - beginning	\$ 205,598	\$ 103,570	\$ 25,986	\$ 86,678	\$ 5,624	\$ 62,088
Receipts:						
Taxes	-	86,413	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	5,326	-	48,471	4,434	-
Charges for services	-	-	3,542	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	5,000
Total receipts	-	91,739	3,542	48,471	4,434	5,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	1,190	430	-
Other services and charges	-	-	-	6,836	770	108
Capital outlay	-	-	14,387	12,990	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	14,387	21,016	1,200	108
Excess (deficiency) of receipts over disbursements	-	91,739	(10,845)	27,455	3,234	4,892
Cash and investments - ending	<u>\$ 205,598</u>	<u>\$ 195,309</u>	<u>\$ 15,141</u>	<u>\$ 114,133</u>	<u>\$ 8,858</u>	<u>\$ 66,980</u>

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

	Police Donation	LOIT Public Safety	Cable TV Security Deposit	Garbage Collection	Payroll Deductions	Fire Department
Cash and investments - beginning	\$ 500	\$ 115,743	\$ 2,000	\$ 28,946	\$ (11,928)	\$ 71,895
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	53,169	-	-	-	-
Charges for services	-	-	-	154,249	-	112,761
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,000	-	-	-	183,438	6,914
Total receipts	<u>1,000</u>	<u>53,169</u>	<u>-</u>	<u>154,249</u>	<u>183,438</u>	<u>119,675</u>
Disbursements:						
Personal services	-	7,322	-	-	-	51,378
Supplies	-	5,852	-	-	-	17,352
Other services and charges	-	-	-	153,208	-	22,369
Capital outlay	-	-	-	-	-	2,339
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	172,180	-
Total disbursements	<u>-</u>	<u>13,174</u>	<u>-</u>	<u>153,208</u>	<u>172,180</u>	<u>93,438</u>
Excess (deficiency) of receipts over disbursements	<u>1,000</u>	<u>39,995</u>	<u>-</u>	<u>1,041</u>	<u>11,258</u>	<u>26,237</u>
Cash and investments - ending	<u>\$ 1,500</u>	<u>\$ 155,738</u>	<u>\$ 2,000</u>	<u>\$ 29,987</u>	<u>\$ (670)</u>	<u>\$ 98,132</u>

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

	Water Utility Operating	Water Utility Bond Sinking	Water Utility Improvement	Water Utility Meter Deposit	Water Utility Debt Service	Totals
Cash and investments - beginning	\$ 171,514	\$ 31,469	\$ 111,347	\$ 5,775	\$ 88,800	\$ 2,303,428
Receipts:						
Taxes	-	-	-	-	-	830,678
Licenses and permits	-	-	-	-	-	7,303
Intergovernmental	-	-	-	-	-	226,289
Charges for services	-	-	-	-	-	272,358
Fines and forfeits	-	-	-	-	-	15,950
Utility fees	533,142	-	20,199	4,000	-	557,341
Other receipts	8,079	117,342	75,000	-	-	417,302
Total receipts	541,221	117,342	95,199	4,000	-	2,327,221
Disbursements:						
Personal services	-	-	-	-	-	468,670
Supplies	-	-	-	-	-	76,895
Other services and charges	-	-	-	-	-	465,646
Capital outlay	-	-	-	-	-	63,286
Utility operating expenses	186,307	-	103,230	-	-	289,537
Other disbursements	271,290	117,341	1,616	2,525	-	588,771
Total disbursements	457,597	117,341	104,846	2,525	-	1,952,805
Excess (deficiency) of receipts over disbursements	83,624	1	(9,647)	1,475	-	374,416
Cash and investments - ending	<u>\$ 255,138</u>	<u>\$ 31,470</u>	<u>\$ 101,700</u>	<u>\$ 7,250</u>	<u>\$ 88,800</u>	<u>\$ 2,677,844</u>

TOWN OF HAMILTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Education	Rainy Day	Levy Excess
Cash and investments - beginning	\$ 904,727	\$ 193,994	\$ 22,623	\$ 3,329	\$ 176,107	\$ -
Receipts:						
Taxes	564,964	149,195	-	-	-	1,415
Licenses and permits	23,814	-	-	667	-	-
Intergovernmental	263,232	48,739	10,200	-	-	-
Charges for services	817	7,267	-	455	-	-
Fines and forfeits	5,096	-	-	637	-	-
Utility fees	-	-	-	-	-	-
Other receipts	20,558	3,203	-	-	-	-
Total receipts	<u>878,481</u>	<u>208,404</u>	<u>10,200</u>	<u>1,759</u>	<u>-</u>	<u>1,415</u>
Disbursements:						
Personal services	283,591	98,223	-	-	-	-
Supplies	28,569	31,184	-	2,042	1,146	-
Other services and charges	212,046	11,516	7,141	-	29,475	-
Capital outlay	5,033	15,415	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	158,418	10,000	-	-	-	-
Total disbursements	<u>687,657</u>	<u>166,338</u>	<u>7,141</u>	<u>2,042</u>	<u>30,621</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>190,824</u>	<u>42,066</u>	<u>3,059</u>	<u>(283)</u>	<u>(30,621)</u>	<u>1,415</u>
Cash and investments - ending	<u>\$ 1,095,551</u>	<u>\$ 236,060</u>	<u>\$ 25,682</u>	<u>\$ 3,046</u>	<u>\$ 145,486</u>	<u>\$ 1,415</u>

TOWN OF HAMILTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Local Major Moves Construction	Cumulative Capital Development	Parks And Recreation Nonreverting Capital	County Economic Development Tax (CEDIT)	Cumulative Capital Improvement	BIF/Hamilton Lake Dam
Cash and investments - beginning	\$ 205,598	\$ 195,309	\$ 15,141	\$ 114,133	\$ 8,858	\$ 66,980
Receipts:						
Taxes	-	85,769	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	4,848	-	71,088	4,063	-
Charges for services	-	-	3,500	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	3,860	50	-	-	14,000
Total receipts	-	94,477	3,550	71,088	4,063	14,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	1,422	-	-
Other services and charges	-	-	-	14,312	1,889	-
Capital outlay	79,859	8,357	-	22,727	-	80,980
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	8,455	-	951	-	-
Total disbursements	79,859	16,812	-	39,412	1,889	80,980
Excess (deficiency) of receipts over disbursements	(79,859)	77,665	3,550	31,676	2,174	(66,980)
Cash and investments - ending	\$ 125,739	\$ 272,974	\$ 18,691	\$ 145,809	\$ 11,032	\$ -

TOWN OF HAMILTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Police Donation	LOIT Public Safety	Cable TV Security Deposit	Garbage Collection	Payroll Deductions	Fire Department
Cash and investments - beginning	\$ 1,500	\$ 155,738	\$ 2,000	\$ 29,987	\$ (670)	\$ 98,132
Receipts:						
Taxes	-	-	-	-	92,809	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	80,003	-	-	-	-
Charges for services	-	-	-	153,880	-	131,834
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	25	-	-	-	105,749	822
Total receipts	25	80,003	-	153,880	198,558	132,656
Disbursements:						
Personal services	-	-	-	-	-	50,666
Supplies	192	2,451	-	-	-	9,067
Other services and charges	-	1,096	-	141,036	-	22,402
Capital outlay	-	-	-	-	-	14,987
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	196,188	3,098
Total disbursements	192	3,547	-	141,036	196,188	100,220
Excess (deficiency) of receipts over disbursements	(167)	76,456	-	12,844	2,370	32,436
Cash and investments - ending	<u>\$ 1,333</u>	<u>\$ 232,194</u>	<u>\$ 2,000</u>	<u>\$ 42,831</u>	<u>\$ 1,700</u>	<u>\$ 130,568</u>

TOWN OF HAMILTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Water Utility Operating	Water Utility Bond Sinking	Water Utility Improvement	Water Utility Meter Deposit	Water Utility Debt Service	Totals
Cash and investments - beginning	\$ 255,138	\$ 31,470	\$ 101,700	\$ 7,250	\$ 88,800	\$ 2,677,844
Receipts:						
Taxes	-	-	-	-	-	894,152
Licenses and permits	-	-	-	-	-	24,481
Intergovernmental	-	-	-	-	-	482,173
Charges for services	-	-	-	-	-	297,753
Fines and forfeits	-	-	-	-	-	5,733
Utility fees	555,780	-	24,602	3,161	-	583,543
Other receipts	5,405	117,347	92,500	-	-	363,519
Total receipts	561,185	117,347	117,102	3,161	-	2,651,354
Disbursements:						
Personal services	-	-	-	-	-	432,480
Supplies	-	-	-	-	-	76,073
Other services and charges	-	-	-	-	-	440,913
Capital outlay	-	-	87,889	-	-	315,247
Utility operating expenses	187,806	-	7,483	-	-	195,289
Other disbursements	279,728	117,440	-	3,611	-	777,889
Total disbursements	467,534	117,440	95,372	3,611	-	2,237,891
Excess (deficiency) of receipts over disbursements	93,651	(93)	21,730	(450)	-	413,463
Cash and investments - ending	<u>\$ 348,789</u>	<u>\$ 31,377</u>	<u>\$ 123,430</u>	<u>\$ 6,800</u>	<u>\$ 88,800</u>	<u>\$ 3,091,307</u>

TOWN OF HAMILTON
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Water	\$ 2,562	\$ 2,031
Governmental activities	17,086	1,558
Totals	\$ 19,648	\$ 3,589

TOWN OF HAMILTON
SCHEDULE OF DEBT
December 31, 2012

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Water:			
General obligation bonds	Water utility bond for towers and water plant	\$ 1,527,000	\$ 117,441
Totals		<u>\$ 1,527,000</u>	<u>\$ 117,441</u>

TOWN OF HAMILTON
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2012

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

	Ending Balance
Governmental activities:	
Land	\$ 740,000
Infrastructure	1,243,827
Buildings	700,500
Improvements other than buildings	689,719
Machinery, equipment, and vehicles	560,000
Total governmental activities	3,934,046
Water:	
Land	140,000
Buildings	800,200
Improvements other than buildings	1,810,366
Machinery, equipment, and vehicles	940,000
Total Water	3,690,566
Total capital assets	\$ 7,624,612

TOWN OF HAMILTON
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Clerk-Treasurer's surety bond was insufficient per the Indiana Code. Her coverage should be increased from \$15,000 to \$60,000. She has notified the insurance agent to make the change.

Indiana Code 5-4-1-18 states in part:

"(a) Except as provided in subsection (b), the following city, town, county, or township officers and employees shall file an individual surety bond:

- (1) City judges, controllers, clerks, and clerk-treasurers.
- (2) Town judges and clerk-treasurers.
- (3) Auditors, treasurers, recorders, surveyors, sheriffs, coroners, assessors, and clerks.
- (4) Township trustees.
- (5) Those employees directed to file an individual bond by the fiscal body of a city, town, or county.
- (6) Township assessors (if any).

(b) The fiscal body of a city, town, county, or township may by ordinance authorize the purchase of a blanket bond or a crime insurance policy endorsed to include faithful performance to cover the faithful performance of all employees, commission members, and persons acting on behalf of the local government unit, including those officers described in subsection (a).

(c) Except as provided in subsections (h) and (i), the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

TOWN OF HAMILTON
EXAMINATION RESULTS AND COMMENTS
(Continued)

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee. County auditors shall file bonds in amounts of not less than thirty thousand dollars (\$30,000), as fixed by the fiscal body of the county. The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)."

ANNUAL REPORT

The Gateway Annual Report for 2012 did not properly reflect the financial activity of the Town of Hamilton. The Trust Indiana Investment of \$80,000 was omitted from the Water Utility Debt Service Beginning Cash and Investment Balance. The Clerk-Treasurer has made the appropriate addition and resubmitted the Annual Report.

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

"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 in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

TOWN OF HAMILTON
EXIT CONFERENCE

The contents of this report were discussed on October 2, 1013, with Hester Stouder, Clerk-Treasurer; Mary Vail, President of the Town Council; Brent Shull, Town Manager; and Brittany K. Bacon, Deputy Clerk-Treasurer. The officials concurred with our findings.