

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

EXAMINATION REPORT
OF
TOWN OF HAMILTON
STEUBEN COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
11/30/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Karen R. Grieser Hester Stouder	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Town Council	Randall E. Hile Brent Shull	01-01-07 to 12-31-07 01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Town of Hamilton (Town), for the period of January 1, 2007 to December 31, 2009. The Town's management is responsible for the financial information presented herein. 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 information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

September 21, 2010

STATE BOARD OF ACCOUNTS

TOWN OF HAMILTON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments		Cash and Investments	
	01-01-07	Receipts	Disbursements	12-31-07
Governmental Funds:				
General	\$ 231,673	\$ 551,208	\$ 626,904	\$ 155,977
Motor Vehicle Highway	36,281	130,310	166,268	323
Local Road and Street	8,757	11,213	16,993	2,977
Park and Recreation	24,165	4,026	212	27,979
Law Enforcement Continuing Education	1,244	1,143	500	1,887
Rainy Day	63,199	9,942	-	73,141
Fire Department	44,555	92,012	89,913	46,654
Garbage Collection	11,307	129,228	139,859	676
BIF/Hamilton Lake Dam	60,225	2,283	-	62,508
Fish Creek Trail	3,460	-	3,460	-
Cumulative Capital Improvement	4,634	5,423	7,967	2,090
Cumulative Capital Development	41,304	56,372	59,836	37,840
County Economic Development Income Tax (CEDIT)	101,042	26,193	52,400	74,835
Local Major Moves Construction	671,373	32,724	77,000	627,097
Proprietary Funds:				
Water Utility - Operating	63,141	632,048	604,085	91,104
Water Utility - Bond and Interest	58,552	117,336	117,117	58,771
Water Utility - Debt Service Reserve	77,940	8,880	-	86,820
Water Utility - Customer Deposit	5,000	3,602	3,302	5,300
Water Utility - Improvement	25,236	112,620	16,913	120,943
Fiduciary Funds:				
Cable TV Security Deposit	2,000	-	-	2,000
Payroll	825	600,886	598,661	3,050
Totals	\$ 1,535,913	\$ 2,527,449	\$ 2,581,390	\$ 1,481,972

	Cash and Investments		Cash and Investments	
	01-01-08	Receipts	Disbursements	12-31-08
Governmental Funds:				
General	\$ 155,977	\$ 800,903	\$ 666,809	\$ 290,071
Motor Vehicle Highway	323	406,743	382,423	24,643
Local Road and Street	2,977	13,534	1,301	15,210
Park and Recreation	27,979	563	-	28,542
Law Enforcement Continuing Education	1,887	1,619	80	3,426
Rainy Day	73,141	2,420	23,697	51,864
Fire Department	46,654	76,229	88,902	33,981
Garbage Collection	676	129,902	126,170	4,408
Police Donation	-	500	-	500
BIF/Hamilton Lake Dam	62,508	320	-	62,828
Fish Creek Trail	-	2,739	2,739	-
Cumulative Capital Improvement	2,090	2,638	2,908	1,820
Cumulative Capital Development	37,840	98,209	4,735	131,314
County Economic Development Income Tax (CEDIT)	74,835	58,658	37,642	95,851
Local Major Moves Construction	627,097	-	83,503	543,594
Proprietary Funds:				
Water Utility - Operating	91,104	518,284	355,254	254,134
Water Utility - Bond and Interest	58,771	58,787	117,558	-
Water Utility - Debt Service Reserve	86,820	340	-	87,160
Water Utility - Customer Deposit	5,300	3,650	2,900	6,050
Water Utility - Improvement	120,943	9,201	15,192	114,952
Fiduciary Funds:				
Cable TV Security Deposit	2,000	-	-	2,000
Payroll	3,050	630,241	632,311	980
Totals	\$ 1,481,972	\$ 2,815,480	\$ 2,544,124	\$ 1,753,328

The accompanying notes are an integral part of the financial information.

TOWN OF HAMILTON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 290,071	\$ 1,336,343	\$ 965,851	\$ 660,563
Motor Vehicle Highway	24,643	344,374	193,274	175,743
Local Road and Street	15,210	10,701	17,384	8,527
Park and Recreation	28,542	6,044	-	34,586
Law Enforcement Continuing Education	3,426	1,414	598	4,242
Rainy Day	51,864	30,733	43,141	39,456
Fire Department	33,981	113,269	94,640	52,610
Garbage Collection	4,408	131,192	124,579	11,021
Police Donation	500	-	-	500
BIF/Hamilton Lake Dam	62,828	-	-	62,828
Cumulative Capital Improvement	1,820	4,734	4,049	2,505
Cumulative Capital Development	131,314	139,516	104,379	166,451
County Economic Development Income Tax (CEDIT)	95,851	63,972	100,034	59,789
Local Major Moves Construction	543,594	-	138,875	404,719
LOIT Public Safety	-	72,912	-	72,912
Federal Grant	-	368,402	368,402	-
Proprietary Funds:				
Water Utility - Operating	254,134	469,258	552,015	171,377
Water Utility - Bond and Interest	-	148,614	117,900	30,714
Water Utility - Debt Service Reserve	87,160	1,640	-	88,800
Water Utility - Customer Deposit	6,050	3,300	4,100	5,250
Water Utility - Improvement	114,952	122,186	87,144	149,994
Fiduciary Funds:				
Cable TV Security Deposit	2,000	-	-	2,000
Payroll	980	188,018	188,998	-
Totals	\$ 1,753,328	\$ 3,556,622	\$ 3,105,363	\$ 2,204,587

The accompanying notes are an integral part of the financial information.

TOWN OF HAMILTON
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 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 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.

TOWN OF HAMILTON
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), 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% 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.

TOWN OF HAMILTON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activity:		
Water Utility:		
Revenue bonds:		
2001 Waterworks Plant Expansion Project	\$ 1,644,000	\$ 117,145

TOWN OF HAMILTON
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2010, with Hester Stouder, Clerk-Treasurer; and Brent Shull, President of the Town Council. Our report disclosed no material items that warrant comment at this time.