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**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT

OF

TOWN OF CAMBRIDGE CITY

WAYNE COUNTY, INDIANA

January 1, 2003 to December 31, 2005



**FILED**  
08/29/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie J. Smith	01-01-00 to 12-31-07
President of the Town Council	Maynard Fowler	01-01-03 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CAMBRIDGE CITY, WAYNE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Cambridge City (Town), for the period of January 1, 2003 to December 31, 2005. The Town's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Town for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 1, 2006

TOWN OF CAMBRIDGE CITY  
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, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 240,566	\$ 362,837	\$ 562,357	\$ 41,046
Motor Vehicle Highway	36,224	97,186	133,084	326
Local Road and Street	2,623	21,601	23,481	743
Law Enforcement Continuing Education	869	1,516	980	1,405
Refuse Collection	951	70,705	70,392	1,264
Reward	750	-	-	750
Lien Payback	-	13,781	13,781	-
Cemetery Expansion and Enhancement	4,845	1,615	-	6,460
Build In No. 3	15,491	2,500	6,242	11,749
Build In No. 4	1,079	-	1,079	-
Law Enforcement Block Grant	161	7,470	161	7,470
Wayne Co Drug Free	1,500	-	1,381	119
Police Donation	250	-	250	-
Rainy Day	50,921	32,000	30,000	52,921
PL-02-001 Grant	-	30,000	30,000	-
Cumulative Capital Improvement	434	7,668	8,102	-
Cumulative Capital Improvement - Fire	68,685	7,648	59,550	16,783
Cumulative Capital Development	118,888	1,972	63,180	57,680
Economic Development Income Tax	133,864	41,691	24,000	151,555
Housing Grant	-	300,000	300,000	-
Proprietary Funds:				
Water Utility - Operating	-	332,133	330,451	1,682
Water Utility - Depreciation	24,695	63,854	46,390	42,159
Water Utility - Customer Deposit	33,645	28,560	26,061	36,144
Fiduciary Funds:				
Payroll	4,340	427,455	426,225	5,570
Western Wayne Regional	19,357	255,057	253,645	20,769
Totals	<u>\$ 760,138</u>	<u>\$ 2,107,249</u>	<u>\$ 2,410,792</u>	<u>\$ 456,595</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 41,046	\$ 820,044	\$ 613,854	\$ 247,236
Motor Vehicle Highway	326	245,528	174,573	71,281
Local Road and Street	743	22,295	23,038	-
Law Enforcement Continuing Education	1,405	1,143	500	2,048
Refuse Collection	1,264	70,296	70,375	1,185
Reward	750	-	-	750
Lien Payback	-	32,446	32,446	-
Cemetery Expansion and Enhancement	6,460	1,695	-	8,155
Build In No. 3	11,749	-	7,249	4,500
Law Enforcement Block Grant	7,470	-	7,470	-
Wayne Co Drug Free	119	-	119	-
Police Donation	-	300	-	300
Rainy Day	52,921	72,107	25,000	100,028
Cumulative Capital Improvement	-	7,915	6,110	1,805

The accompanying notes are an integral part of the schedules.

TOWN OF CAMBRIDGE CITY  
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, 2003, 2004, And 2005  
(Continued)

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds (continued):				
Cumulative Capital Improvement - Fire	16,783	32,962	-	49,745
Cumulative Capital Development	57,680	35,407	13,369	79,718
Economic Development Income Tax	151,555	39,622	27,664	163,513
Proprietary Funds:				
Water Utility - Operating	1,682	349,587	348,400	2,869
Water Utility - Depreciation	42,159	105,571	42,702	105,028
Water Utility - Customer Deposit	36,144	4,188	1,107	39,225
Fiduciary Funds:				
Payroll	5,570	443,425	443,282	5,713
Western Wayne Regional	20,769	256,018	256,341	20,446
<b>Totals</b>	<b><u>\$ 456,595</u></b>	<b><u>\$ 2,540,549</u></b>	<b><u>\$ 2,093,599</u></b>	<b><u>\$ 903,545</u></b>
	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 247,236	\$ 609,060	\$ 646,218	\$ 210,078
Motor Vehicle Highway	71,281	173,198	168,625	75,854
Local Road and Street	-	22,065	19,373	2,692
Law Enforcement Continuing Education	2,048	1,243	859	2,432
Refuse Collection	1,185	70,354	70,860	679
Reward	750	-	-	750
Cemetery Expansion and Enhancement	8,155	1,779	-	9,934
Build In No. 3	4,500	-	2,307	2,193
Police Donation	300	4,500	-	4,800
Rainy Day	100,028	50,000	21,000	129,028
Suspension Walk Bridge	-	21,005	21,005	-
Fireworks Display Donation	-	5,000	5,000	-
Traffic Safety Grant	-	600	591	9
Cumulative Capital Improvement	1,805	6,557	8,362	-
Cumulative Capital Improvement - Fire	49,745	20,171	-	69,916
Cumulative Capital Development	79,718	18,160	17,240	80,638
Economic Development Income Tax	163,513	38,310	-	201,823
Proprietary Funds:				
Water Utility - Operating	2,869	341,662	340,185	4,346
Water Utility - Depreciation	105,028	105,571	25,555	185,044
Water Utility - Customer Deposit	39,225	4,257	2,306	41,176
Fiduciary Funds:				
Payroll	5,713	434,692	435,305	5,100
Western Wayne Regional	20,446	256,481	255,401	21,526
<b>Totals</b>	<b><u>\$ 903,545</u></b>	<b><u>\$ 2,184,665</u></b>	<b><u>\$ 2,040,192</u></b>	<b><u>\$ 1,048,018</u></b>

The accompanying notes are an integral part of the schedules.

TOWN OF CAMBRIDGE CITY  
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, 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. Rate Structure – Enterprise Fund

On March 25, 1996, the Town Council adopted Ordinance No. 3-1996 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Town Council on April 1, 2003.

Note 6. 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.

TOWN OF CAMBRIDGE CITY  
NOTES TO SCHEDULES  
(Continued)

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.

Note 7. 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 CAMBRIDGE CITY  
EXIT CONFERENCE

The contents of this report were discussed on August 1, 2006, with Connie J. Smith, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.