

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

EXAMINATION REPORT
OF
TOWN OF CAMBRIDGE CITY
WAYNE COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/30/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Connie J. Smith	01-01-04 to 12-31-11
President of the Town Council	Maynard A. Fowler	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Town of Cambridge City (Town), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, 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.

STATE BOARD OF ACCOUNTS

September 23, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 210,078	\$ 668,326	\$ 665,196	\$ 213,208
Motor Vehicle Highway	75,854	166,726	153,974	88,606
Local Road and Street	2,692	21,169	499	23,362
Law Enforcement Continuing Education	2,432	540	772	2,200
Refuse Collection	679	75,960	74,211	2,428
Reward	750	-	-	750
Cemetery Expansion and Enhancement	9,934	1,867	-	11,801
Build Indiana #3	2,193	-	2,193	-
Police Donation	4,800	-	4,800	-
Rainy Day	129,028	55,000	-	184,028
Golay Fire Equipment Donation	-	20,000	20,000	-
Library Planning Grant	-	15,328	15,328	-
Fireworks Display Donation	-	5,500	5,500	-
Traffic Safety Equipment Grant	-	1,745	1,745	-
Traffic Safety Grant	9	2,022	2,029	2
Cambridge City Youth League Park Donation	-	10,084	8,584	1,500
Cumulative Capital Improvement	-	7,577	-	7,577
Cumulative Capital Improvement - Fire	69,916	25,829	57,500	38,245
Cumulative Capital Development	80,638	19,227	31,891	67,974
Economic Development Income Tax	201,823	43,938	169,864	75,897
Proprietary Funds:				
Water Utility - Operating	4,346	342,983	307,646	39,683
Water Utility - Depreciation	185,044	63,714	97,294	151,464
Water Utility - Customer Deposit	41,176	3,571	2,408	42,339
Fiduciary Funds:				
Western Wayne Regional Sewer District	21,526	275,197	272,419	24,304
Payroll	5,100	448,451	448,457	5,094
Totals	\$ 1,048,018	\$ 2,274,754	\$ 2,342,310	\$ 980,462

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 213,208	\$ 896,113	\$ 841,824	\$ 267,497
Motor Vehicle Highway	88,606	133,987	190,041	32,552
Local Road and Street	23,362	20,996	36,884	7,474
Law Enforcement Continuing Education	2,200	2,021	310	3,911
Refuse Collection	2,428	81,034	78,140	5,322
Reward	750	-	-	750
Cemetery Expansion and Enhancement	11,801	1,961	-	13,762
Police Donation	-	1,000	-	1,000
Rainy Day	184,028	214,107	218,950	179,185
Home Rehab. Lien Payback	-	11,139	11,139	-
Library Planning Grant	-	14,328	14,328	-
Fireworks Display Donation	-	5,000	5,000	-
Traffic Safety Grant	2	2,180	2,187	(5)
Christmas Light Display Donation	-	10,473	6,320	4,153
Cambridge City Youth League Park Donation	1,500	-	1,500	-
Cumulative Capital Improvement	7,577	7,450	11,082	3,945
Cumulative Capital Improvement - Fire	38,245	20,038	12,949	45,334
Cumulative Capital Development	67,974	17,702	15,018	70,658
Economic Development Income Tax	75,897	41,348	33,485	83,760
Proprietary Funds:				
Water Utility - Operating	39,683	352,884	383,301	9,266
Water Utility - Depreciation	151,464	127,428	84,559	194,333
Water Utility - Customer Deposit	42,339	3,792	2,332	43,799
Fiduciary Funds:				
Western Wayne Regional Sewer District	24,304	335,822	328,484	31,642
Payroll	5,094	469,346	469,464	4,976
Totals	\$ 980,462	\$ 2,770,149	\$ 2,747,297	\$ 1,003,314

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

TOWN OF CAMBRIDGE CITY
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, and water.

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 CAMBRIDGE CITY
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 CAMBRIDGE CITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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.

There were no general infrastructure assets completed in the current years. Retroactive reporting of general infrastructure assets will occur by December 31, 2009.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 90,405
Buildings	62,644
Improvements other than buildings	57,757
Machinery and equipment	<u>1,480,758</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,691,564</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 34,993
Buildings	27,058
Machinery and equipment	<u>879,661</u>
 Total business-type activities capital assets	 <u>\$ 941,712</u>

TOWN OF CAMBRIDGE CITY
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2008, with Connie J. Smith, Clerk-Treasurer; and Maynard A. Fowler, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.