

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

EXAMINATION REPORT
OF
CEDAR CREEK TOWNSHIP
LAKE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
04/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Alice F. Dahl	01-01-07 to 12-31-10
Chairman of the Township Board	Randall Wietbrock Marcia Quale	01-01-08 to 12-31-08 01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CEDAR CREEK TOWNSHIP, LAKE COUNTY, INDIANA

We have examined the financial information presented herein of Cedar Creek Township (Township), for the period of January 1, 2008 to December 31, 2009. The Township'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 Township for the years ended December 31, 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.

STATE BOARD OF ACCOUNTS

March 24, 2010

CEDAR CREEK TOWNSHIP, LAKE COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 729	\$ 930,651	\$ 854,149	\$ 77,231
Recycle Grant	-	9,929	9,929	-
Township Assistance	58,603	55,371	106,140	7,834
Firefighting	80	369,612	348,751	20,941
Park and Recreation	31	69,459	78,032	(8,542)
Cumulative Fire	8,262	34,563	53,618	(10,793)
Debt Service	-	48,351	87,318	(38,967)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 67,705</u>	<u>\$ 1,517,936</u>	<u>\$ 1,537,937</u>	<u>\$ 47,704</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 77,231	\$ 661,821	\$ 729,138	\$ 9,914
Township Assistance	7,834	58,916	65,513	1,237
Firefighting	20,941	334,345	343,255	12,031
Park and Recreation	(8,542)	68,577	53,346	6,689
Cumulative Fire	(10,793)	39,273	23,784	4,696
Debt Service	(38,967)	113,533	85,658	(11,092)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 47,704</u>	<u>\$ 1,276,465</u>	<u>\$ 1,300,694</u>	<u>\$ 23,475</u>

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

CEDAR CREEK TOWNSHIP, LAKE COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

Note 2. Fund Accounting

The Township 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 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 Township 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.

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 Township 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.

CEDAR CREEK TOWNSHIP, LAKE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Township 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 Township 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.

Note 7. Subsequent Events

Tax Distribution

On January 20, 2010, the Township received a final settlement of 2008 pay 2009 taxes totaling \$367,627. The final settlement was 52% of the general property taxes for the Township.

Debt Payment

On January 20, 2010, the Township repaid its 2009 temporary loan payable of \$250,000 when the property taxes were received.

Note 8. Joint Venture

Cedar Creek Township is a participant with West Creek Township and the Town of Lowell in a joint venture to operate Freedom Park, which was created to provide recreation to the residents of the Town and the two Townships. Cedar Creek is obligated by agreement to remit the lessor of \$30,000 or one-third of the annual cost of Freedom Park.

CEDAR CREEK TOWNSHIP, LAKE COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Tax anticipation loans payable	\$ 250,000	\$ 260,526
Fire equipment loans payable	<u>80,000</u>	<u>82,857</u>
Total governmental activities debt	<u>\$ 330,000</u>	<u>\$ 343,383</u>

CEDAR CREEK TOWNSHIP, LAKE COUNTY
EXAMINATION RESULTS AND COMMENTS

CONTRACTS

Payments of \$250,000 in 2008 and \$295,000 in 2009 were made to Tri-Creek Ambulance Service without a written contract. A similar comment appeared in previous reports.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

RECEIPT ISSUANCE

Receipt Forms were not issued when property taxes, excise taxes, financial institution taxes, temporary loans, transfers between funds, interest earned, and state grants were received. The funds received were properly posted in the ledger and deposited in the bank.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

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 Townships, Chapter 13)

OVERDRAWN CASH BALANCES

The cash balances of the following funds were overdrawn in 2008 and 2009:

<u>Fund Name</u>	<u>2008 Amount</u>	<u>2009 Amount</u>
Park and Recreation	\$ 8,542	\$ -
Cumulative Fire	10,793	-
Debt Service	38,967	11,092

The property tax 2008 and 2009 final settlements were not received by the Township until March 27, 2009, and January 20, 2010, respectively. All three Funds are supported by property taxes.

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CEDAR CREEK TOWNSHIP, LAKE COUNTY
EXIT CONFERENCE

The contents of this report were discussed on March 24, 2010, with Alice F. Dahl, Trustee. The officials concurred with our findings.