

B37367

**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, 2008 to December 31, 2009



**FILED**  
08/16/2010



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Connie J. Smith

01-01-08 to 12-31-11

President of the  
Town Council

Maynard A. Fowler

01-01-08 to 12-31-10



**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 financial information presented herein of the Town of Cambridge City (Town), for the period of January 1, 2008 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, 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 Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

July 6, 2010

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, 2008 And 2009

	Cash and Investments			Cash and Investments
	01-01-08	Receipts	Disbursements	
<b>Governmental Funds:</b>				
General	\$ 267,497	\$ 457,661	\$ 658,803	\$ 66,355
Motor Vehicle Highway	32,552	178,450	206,216	4,786
Local Road and Street	7,474	19,333	25,124	1,683
Law Enforcement Continuing Education	3,911	1,336	384	4,863
Refuse Collection	5,322	81,139	80,129	6,332
Reward Fund	750	-	750	-
Cemetery Expansion and Enhancement	13,762	2,059	-	15,821
Federal Grant No. 1	-	9,786	9,518	268
Fire Donation	1,000	-	-	1,000
Rainy Day	179,185	52,997	24,765	207,417
Fireworks Display Donation	-	5,500	5,500	-
Traffic Safety Grant	(5)	1,600	1,593	2
Christmas Light Display Donation	4,153	445	2,835	1,763
Donation No. 3 DOWNTOWN	-	13,993	2,125	11,868
Cumulative Capital Improvement	3,945	6,898	7,219	3,624
Cumulative Capital Improvement - Fire	45,334	14,903	-	60,237
Cumulative Capital Development	70,658	10,720	15,897	65,481
Economic Development Income Tax	83,760	41,093	28,412	96,441
<b>Proprietary Funds:</b>				
Water Utility - Operating	9,266	387,555	368,181	28,640
Water Utility - Depreciation	194,333	110,923	69,046	236,210
Water Utility - Customer Deposit	43,799	3,586	1,737	45,648
<b>Fiduciary Funds:</b>				
Western Wayne Regional Sewer District Payroll	31,642	396,663	393,133	35,172
	<u>4,976</u>	<u>473,986</u>	<u>473,920</u>	<u>5,042</u>
<b>Totals</b>	<b>\$ 1,003,314</b>	<b>\$ 2,270,626</b>	<b>\$ 2,375,287</b>	<b>\$ 898,653</b>

	Cash and Investments			Cash and Investments
	01-01-09	Receipts	Disbursements	
<b>Governmental Funds:</b>				
General	\$ 66,355	\$ 1,029,745	\$ 926,920	\$ 169,180
Motor Vehicle Highway	4,786	253,012	207,669	50,129
Local Road and Street	1,683	17,993	19,622	54
Law Enforcement Continuing Education	4,863	1,249	-	6,112
Refuse Collection	6,332	80,884	82,752	4,464
Cemetery Expansion and Enhancement	15,821	2,162	-	17,983
Federal Grant No. 1	268	9,786	-	10,054
Fire Donation	1,000	100	1,000	100
Police Donation	-	875	-	875
Rainy Day	207,417	247,471	200,000	254,888
Fireworks Display Donation	-	5,500	5,500	-
Traffic Safety Grant	2	-	-	2
Christmas Light Display Donation	1,763	-	262	1,501
Donation No. 3 DOWNTOWN	11,868	1,250	13,118	-
Federal Grant No. 2 Water Planning	-	29,700	29,700	-
Cumulative Capital Improvement	3,624	6,504	10,084	44
Cumulative Capital Improvement - Fire	60,237	24,049	-	84,286
Cumulative Capital Development	65,481	20,263	16,776	68,968
Economic Development Income Tax	96,441	44,188	35,656	104,973
<b>Proprietary Funds:</b>				
Water Utility - Operating	28,640	393,554	406,505	15,689
Water Utility - Depreciation	236,210	127,428	45,245	318,393
Water Utility - Customer Deposit	45,648	2,955	1,418	47,185
<b>Fiduciary Funds:</b>				
Western Wayne Regional Sewer District Payroll	35,172	479,090	474,983	39,279
	<u>5,042</u>	<u>508,739</u>	<u>506,117</u>	<u>7,664</u>
<b>Totals</b>	<b>\$ 898,653</b>	<b>\$ 3,286,497</b>	<b>\$ 2,983,327</b>	<b>\$ 1,201,823</b>

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, 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.

Note 7. Rate Structure

On March 25, 1996, the Town Council withdrew from the jurisdiction of the Indiana Utility Regulatory Commission.

TOWN OF CAMBRIDGE CITY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2009

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 is not required.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 90,405
Buildings	66,971
Improvements other than buildings	57,757
Machinery and equipment	<u>1,341,818</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,556,951</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>881,502</u>
 Total Water Utility capital assets	 <u>\$ 943,553</u>

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

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Police cars leased	\$ 23,869	\$ 16,777

TOWN OF CAMBRIDGE CITY  
EXIT CONFERENCE

The contents of this report were discussed on July 6, 2010, with Connie J. Smith, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.