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

AUDIT REPORT

OF

TOWN OF CEDAR LAKE

LAKE COUNTY, INDIANA

January 1, 2008 to December 31, 2009



**FILED**  
12/01/2010



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Amy J. Sund	01-01-08 to 12-31-11
President of the Town Council	Dennis Wilkening	01-01-08 to 12-31-10
Town Manager	Joan Boyer	01-01-08 to 05-20-08
Town Administrator	Ian Nicolini	05-21-08 to 12-31-10
Superintendent of Wastewater Utility	William Maleckar James Cornett	01-01-08 to 03-15-08 03-16-08 to 12-31-10
Director of Operations	Edward Robinson, Jr.	01-01-08 to 12-31-10



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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cedar Lake (Town), as of and for the years ended December 31, 2008 and 2009, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Town prepares its financial statements for the governmental activities, the business-type activities, each governmental major fund and the aggregate remaining fund information on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each governmental major fund, and the aggregate remaining fund information of the Town as of December 31, 2008 and 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In our opinion, the financial statements for each major enterprise fund present fairly, in all material respects, the financial position of each major enterprise fund as of December 31, 2008 and 2009, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated October 28, 2010, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Town has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions from the Employer and Other Contributing Entities, or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

The Town's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 28, 2010



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cedar Lake (Town), as of and for the years ended December 31, 2008 and 2009, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 28, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Town's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 28, 2010

TOWN OF CEDAR LAKE  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2008

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-Type Activities	
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 2,134,517	\$ 155,383	\$ -	\$ -	\$ (1,979,134)	\$ -	\$ (1,979,134)
Public safety	2,000,652	376,214	17,645	211,051	(1,395,742)	-	(1,395,742)
Highways and streets	529,728	1,750	266,908	116,176	(144,894)	-	(144,894)
Sanitation	673,513	679,138	-	-	5,625	-	5,625
Health and welfare	-	193,384	-	-	193,384	-	193,384
Economic development	938,908	-	-	391,224	(547,684)	-	(547,684)
Culture and recreation	148,290	12,148	-	-	(136,142)	-	(136,142)
Principal and interest on indebtedness	310,937	-	-	-	(310,937)	-	(310,937)
Net tax anticipation warrants repaid	1,000,000	-	-	-	(1,000,000)	-	(1,000,000)
<b>Total governmental activities</b>	<b>7,736,545</b>	<b>1,418,017</b>	<b>284,553</b>	<b>718,451</b>	<b>(5,315,524)</b>	<b>-</b>	<b>(5,315,524)</b>
<b>Business-type activities:</b>							
Storm Water	777,919	507,292	-	-	-	(270,627)	(270,627)
Wastewater	3,039,536	3,510,407	1,759,255	-	-	2,230,126	2,230,126
<b>Total business-type activities</b>	<b>3,817,455</b>	<b>4,017,699</b>	<b>1,759,255</b>	<b>-</b>	<b>-</b>	<b>1,959,499</b>	<b>1,959,499</b>
<b>Total primary government</b>	<b>\$ 11,554,000</b>	<b>\$ 5,435,716</b>	<b>\$ 2,043,808</b>	<b>\$ 718,451</b>	<b>(5,315,524)</b>	<b>1,959,499</b>	<b>(3,356,025)</b>
<b>General receipts:</b>							
Property taxes					3,057,194	-	3,057,194
Intergovernmental					472,185	11,324	483,509
Other local sources					295,549	5,679	301,228
Grants and contributions not restricted to specific programs					143,116	-	143,116
Investment earnings					65,042	36,164	101,206
Interfund loans					350,000	(350,000)	-
<b>Total general receipts and interfund loans</b>					<b>4,383,086</b>	<b>(296,833)</b>	<b>4,086,253</b>
<b>Change in net assets</b>					<b>(932,438)</b>	<b>1,662,666</b>	<b>730,228</b>
<b>Net assets - beginning</b>					<b>5,294,260</b>	<b>5,856,228</b>	<b>11,150,488</b>
<b>Net assets - ending</b>					<b>\$ 4,361,822</b>	<b>\$ 7,518,894</b>	<b>\$ 11,880,716</b>
<b>Assets</b>							
Cash and investments					\$ 239,259	\$ 132,090	\$ 371,349
Restricted assets:							
Cash and investments					4,122,563	7,386,804	11,509,367
<b>Total assets</b>					<b>\$ 4,361,822</b>	<b>\$ 7,518,894</b>	<b>\$ 11,880,716</b>
<b>Net Assets</b>							
<b>Restricted for:</b>							
General government					\$ 445,851	\$ -	\$ 445,851
Public safety					45,356	-	45,356
Highways and streets					186,337	-	186,337
Sanitation					63,586	-	63,586
Economic development					263,232	-	263,232
Culture and recreation					100,050	-	100,050
Debt service					57,486	1,338,551	1,396,037
Capital outlay					2,960,665	-	2,960,665
Other purposes					-	3,310,699	3,310,699
Unrestricted					239,259	2,869,644	3,108,903
<b>Total net assets</b>					<b>\$ 4,361,822</b>	<b>\$ 7,518,894</b>	<b>\$ 11,880,716</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF CEDAR LAKE  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2009

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 3,443,495	\$ 221,981	\$ 3,336	\$ -	\$ (3,218,178)	\$ -	\$ (3,218,178)
Public safety	1,799,583	500,630	33,508	-	(1,265,445)	-	(1,265,445)
Highways and streets	494,261	-	374,950	119,664	353	-	353
Sanitation	701,886	702,828	-	-	942	-	942
Health and welfare	-	4,940	-	-	4,940	-	4,940
Economic development	2,109,537	-	-	103,776	(2,005,761)	-	(2,005,761)
Culture and recreation	133,020	17,829	-	-	(115,191)	-	(115,191)
Principal and interest on indebtedness	363,158	-	-	-	(363,158)	-	(363,158)
<b>Total governmental activities</b>	<b>9,044,940</b>	<b>1,448,208</b>	<b>411,794</b>	<b>223,440</b>	<b>(6,961,498)</b>	<b>-</b>	<b>(6,961,498)</b>
<b>Business-type activities:</b>							
Storm Water	2,042,945	528,189	-	-	-	(1,514,756)	(1,514,756)
Wastewater	2,572,616	3,375,646	17,621	-	-	820,651	820,651
Water	2,297,745	326,921	-	-	-	(1,970,824)	(1,970,824)
<b>Total business-type activities</b>	<b>6,913,306</b>	<b>4,230,756</b>	<b>17,621</b>	<b>-</b>	<b>-</b>	<b>(2,664,929)</b>	<b>(2,664,929)</b>
<b>Total primary government</b>	<b>\$ 15,958,246</b>	<b>\$ 5,678,964</b>	<b>\$ 429,415</b>	<b>\$ 223,440</b>	<b>(6,961,498)</b>	<b>(2,664,929)</b>	<b>(9,626,427)</b>
<b>General receipts:</b>							
Property taxes					2,827,721	-	2,827,721
Intergovernmental					415,846	-	415,846
Other local sources					307,591	287,861	595,452
Net proceeds from borrowings					2,739,380	2,227,500	4,966,880
Grants and contributions not restricted to specific programs					163,844	-	163,844
Investment earnings					22,775	46,667	69,442
Interfund loans					(100,000)	100,000	-
<b>Total general receipts and interfund loans</b>					<b>6,377,157</b>	<b>2,662,028</b>	<b>9,039,185</b>
Change in net assets					(584,341)	(2,901)	(587,242)
Net assets - beginning					4,361,822	7,518,894	11,880,716
Net assets - ending					<b>\$ 3,777,481</b>	<b>\$ 7,515,993</b>	<b>\$ 11,293,474</b>
<b>Assets</b>							
Cash and investments					\$ 2,582,927	\$ 5,366,244	\$ 7,949,171
Restricted assets:							
Cash and investments					1,194,554	2,149,749	3,344,303
<b>Total assets</b>					<b>\$ 3,777,481</b>	<b>\$ 7,515,993</b>	<b>\$ 11,293,474</b>
<b>Net Assets</b>							
Restricted for:							
Highways and streets					\$ 143,821	\$ -	\$ 143,821
Culture and recreation					70,720	-	70,720
Debt service					10,820	1,766,864	1,777,684
Capital outlay					969,193	382,885	1,352,078
Unrestricted					2,582,927	5,366,244	7,949,171
<b>Total net assets</b>					<b>\$ 3,777,481</b>	<b>\$ 7,515,993</b>	<b>\$ 11,293,474</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF CEDAR LAKE  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2008

	General	Wicker And 133rd Property Tax District	Redevelopment Authority Bond Proceeds	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 2,512,581	\$ 244,952	\$ -	\$ 299,661	\$ 3,057,194
Licenses and permits	332,638	-	-	7,010	339,648
Intergovernmental	254,236	211,051	-	1,098,834	1,564,121
Charges for services	325,782	-	-	695,831	1,021,613
Fines and forfeits	33,831	-	-	22,925	56,756
Interfund loans	850,000	84,119	-	605,828	1,539,947
Other	47,376	-	46,950	66,057	160,383
<b>Total receipts</b>	<b>4,356,444</b>	<b>540,122</b>	<b>46,950</b>	<b>2,796,146</b>	<b>7,739,662</b>
<b>Disbursements:</b>					
General government	1,137,308	-	-	477,430	1,614,738
Public safety	1,943,181	-	-	21,270	1,964,451
Highways and streets	-	-	-	467,657	467,657
Sanitation	-	-	-	673,513	673,513
Economic development	-	205,812	152,977	30,513	389,302
Culture and recreation	101,297	-	-	11,553	112,850
Urban redevelopment and housing	-	-	-	86	86
Interfund loans	500,000	96,500	-	593,447	1,189,947
Debt service:					
Principal	-	15,000	-	52,000	67,000
Interest	33,419	94,743	-	115,775	243,937
Capital outlay:					
General government	24,023	-	-	495,756	519,779
Public safety	10,875	-	-	25,326	36,201
Highways and streets	-	-	-	62,071	62,071
Economic development	-	-	483,994	65,612	549,606
Culture and recreation	10,267	-	-	25,030	35,297
<b>Total disbursements</b>	<b>3,760,370</b>	<b>412,055</b>	<b>636,971</b>	<b>3,117,039</b>	<b>7,926,435</b>
Excess (deficiency) of receipts over disbursements	596,074	128,067	(590,021)	(320,893)	(186,773)
<b>Other financing sources (uses):</b>					
Tax anticipation warrants received	503,024	-	-	-	503,024
Tax anticipation warrants repaid	(1,503,024)	-	-	-	(1,503,024)
Other receipts	94,811	-	-	159,667	254,478
<b>Total other financing sources (uses)</b>	<b>(905,189)</b>	<b>-</b>	<b>-</b>	<b>159,667</b>	<b>(745,522)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(309,115)	128,067	(590,021)	(161,226)	(932,295)
Cash and investment fund balance - beginning	535,608	135,165	3,351,750	1,271,551	5,294,074
Cash and investment fund balance - ending	\$ 226,493	\$ 263,232	\$ 2,761,729	\$ 1,110,325	4,361,779
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:					
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					43
Net assets of governmental activities					\$ 4,361,822
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 226,493	\$ -	\$ -	\$ 12,766	\$ 239,259
Restricted assets:					
Cash and investments	-	263,232	2,761,729	1,097,559	4,122,520
<b>Total cash and investment assets - ending</b>	<b>\$ 226,493</b>	<b>\$ 263,232</b>	<b>\$ 2,761,729</b>	<b>\$ 1,110,325</b>	<b>\$ 4,361,779</b>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ 445,851	\$ 445,851
Public safety	-	-	-	45,356	45,356
Highways and streets	-	-	-	186,337	186,337
Sanitation	-	-	-	63,586	63,586
Economic development	-	263,232	-	-	263,232
Culture and recreation	-	-	-	100,007	100,007
Debt service	-	-	-	57,486	57,486
Capital outlay	-	-	2,761,729	198,936	2,960,665
Unrestricted	226,493	-	-	12,766	239,259
<b>Total cash and investment fund balance - ending</b>	<b>\$ 226,493</b>	<b>\$ 263,232</b>	<b>\$ 2,761,729</b>	<b>\$ 1,110,325</b>	<b>\$ 4,361,779</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF CEDAR LAKE  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2009

	General	Wicker And 133rd Property Tax District	Redevelopment Authority Bond Proceeds	Redevelopment Commission Bond Proceeds	Other Governmental Funds	Totals
<b>Receipts:</b>						
Taxes	\$ 2,106,433	\$ 270,753	\$ -	\$ -	\$ 455,308	\$ 2,832,494
Licenses and permits	249,407	-	-	-	7,230	256,637
Intergovernmental	225,367	99,890	-	-	781,993	1,107,250
Charges for services	288,198	-	-	-	722,912	1,011,110
Fines and forfeits	71,889	-	-	-	16,224	88,113
Interfund loans	500,000	171,046	-	-	281,649	952,695
Other	184,996	-	16,494	-	228,497	429,987
<b>Total receipts</b>	<b>3,626,290</b>	<b>541,689</b>	<b>16,494</b>	<b>-</b>	<b>2,493,813</b>	<b>6,678,286</b>
<b>Disbursements:</b>						
General government	1,069,620	-	-	1,701,279	290,318	3,061,217
Public safety	1,783,729	-	-	-	6,457	1,790,186
Highways and streets	14,118	-	-	-	338,405	352,523
Sanitation	-	-	-	-	701,886	701,886
Economic development	-	-	311,346	-	40,330	351,676
Culture and recreation	96,245	-	-	-	9,076	105,321
Interfund loans	600,000	171,000	-	-	281,695	1,052,695
<b>Debt service:</b>						
Principal	-	20,000	-	-	69,000	89,000
Interest	13,953	73,968	-	-	186,237	274,158
<b>Capital outlay:</b>						
General government	2,094	-	-	-	380,071	382,165
Public safety	9,397	-	-	-	-	9,397
Highways and streets	11,582	130,156	-	-	-	141,738
Economic development	-	-	1,757,861	-	-	1,757,861
Culture and recreation	27,769	-	-	-	-	27,769
<b>Total disbursements</b>	<b>3,628,507</b>	<b>395,124</b>	<b>2,069,207</b>	<b>1,701,279</b>	<b>2,303,475</b>	<b>10,097,592</b>
Excess (deficiency) of receipts over disbursements	(2,217)	146,565	(2,052,713)	(1,701,279)	190,338	(3,419,306)
<b>Other financing sources (uses):</b>						
Tax anticipation warrants received	1,000,000	-	-	-	-	1,000,000
Tax anticipation warrants repaid	(1,000,000)	-	-	-	-	(1,000,000)
Net proceeds from borrowing	-	-	-	2,739,380	-	2,739,380
Other receipts	87,663	-	-	-	7,965	95,628
<b>Total other financing sources (uses)</b>	<b>87,663</b>	<b>-</b>	<b>-</b>	<b>2,739,380</b>	<b>7,965</b>	<b>2,835,008</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	85,446	146,565	(2,052,713)	1,038,101	198,303	(584,298)
Cash and investment fund balance - beginning	226,493	263,232	2,761,729	-	1,110,325	4,361,779
Cash and investment fund balance - ending	\$ 311,939	\$ 409,797	\$ 709,016	\$ 1,038,101	\$ 1,308,628	3,777,481
Net assets of governmental activities						\$ 3,777,481
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 311,939	\$ 409,797	\$ -	\$ 1,038,101	\$ 823,090	\$ 2,582,927
<b>Restricted assets:</b>						
Cash and investments	-	-	709,016	-	485,538	1,194,554
<b>Total cash and investment assets - ending</b>	<b>\$ 311,939</b>	<b>\$ 409,797</b>	<b>\$ 709,016</b>	<b>\$ 1,038,101</b>	<b>\$ 1,308,628</b>	<b>\$ 3,777,481</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 143,821	\$ 143,821
Culture and recreation	-	-	-	-	70,720	70,720
Debt service	-	-	-	-	10,820	10,820
Capital outlay	-	-	709,016	-	260,177	969,193
Unrestricted	311,939	409,797	-	1,038,101	823,090	2,582,927
<b>Total cash and investment fund balance - ending</b>	<b>\$ 311,939</b>	<b>\$ 409,797</b>	<b>\$ 709,016</b>	<b>\$ 1,038,101</b>	<b>\$ 1,308,628</b>	<b>\$ 3,777,481</b>

The notes to the financial statements are an integral part of this statement.

TOWN OF CEDAR LAKE  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As Of And For The Year Ended December 31, 2008

	Storm Water	Wastewater	Totals	Internal Service Fund
<b>Operating receipts:</b>				
Wastewater fees	\$ 507,192	\$ 3,192,965	\$ 3,700,157	\$ -
Lake Dale fees	-	86,116	86,116	-
Sewer tap fees	-	54,000	54,000	-
Other-Lowell	-	67,951	67,951	-
Interfund loan proceeds	-	973,820	973,820	-
Miscellaneous	100	1,475	1,575	338,533
<b>Total operating receipts</b>	<b>507,292</b>	<b>4,376,327</b>	<b>4,883,619</b>	<b>338,533</b>
<b>Operating disbursements:</b>				
Salaries and wages	1,140	448,048	449,188	-
Employee pensions and benefits	-	341,431	341,431	-
Purchased power	-	161,264	161,264	-
Purchase wastewater treatment	-	911,451	911,451	-
Material and supplies	39,052	15,332	54,384	-
Contractual services	113,185	294,448	407,633	-
Rents	-	14,400	14,400	-
Insurance claims and expense	-	49,714	49,714	338,676
Source of supply	-	27,852	27,852	-
Administration and general	-	76,282	76,282	-
Equipment and capital improvements	474,192	40,636	514,828	-
Interfund loans made/repaid	-	1,323,820	1,323,820	-
Miscellaneous	39,693	217,758	257,451	-
<b>Total operating disbursements</b>	<b>667,262</b>	<b>3,922,436</b>	<b>4,589,698</b>	<b>338,676</b>
<b>Excess (deficiency) of operating receipts over operating disbursements</b>	<b>(159,970)</b>	<b>453,891</b>	<b>293,921</b>	<b>(143)</b>
<b>Nonoperating receipts (disbursements):</b>				
Intergovernmental	-	11,324	11,324	-
System development	-	107,900	107,900	-
Investment income	5,545	30,619	36,164	-
Refunds	-	5,679	5,679	-
Grants	-	1,759,255	1,759,255	-
Debt service of principal	(110,657)	(156,000)	(266,657)	-
Interest disbursements	-	(284,920)	(284,920)	-
<b>Total nonoperating receipts (disbursements)</b>	<b>(105,112)</b>	<b>1,473,857</b>	<b>1,368,745</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)</b>	<b>(265,082)</b>	<b>1,927,748</b>	<b>1,662,666</b>	<b>(143)</b>
Transfers in	3,240,190	734,003	3,974,193	-
Transfers out	(3,240,190)	(734,003)	(3,974,193)	-
<b>Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out</b>	<b>(265,082)</b>	<b>1,927,748</b>	<b>1,662,666</b>	<b>(143)</b>
Cash and investment fund balance - beginning	2,599,073	3,257,155	5,856,228	186
Cash and investment fund balance - ending	<u>\$ 2,333,991</u>	<u>\$ 5,184,903</u>	<u>\$ 7,518,894</u>	<u>\$ 43</u>
<b>Cash and Investment Assets - December 31</b>				
Cash and investments	\$ 132,090	\$ -	\$ 132,090	\$ -
Restricted assets:				
Cash and investments	2,201,901	5,184,903	7,386,804	43
<b>Total cash and investment assets - December 31</b>	<u>\$ 2,333,991</u>	<u>\$ 5,184,903</u>	<u>\$ 7,518,894</u>	<u>\$ 43</u>
<b>Cash and Investment Fund Balance - December 31</b>				
Restricted for:				
Debt service	\$ 327,126	\$ 1,011,425	\$ 1,338,551	\$ -
Other purposes	1,874,775	1,435,924	3,310,699	43
Unrestricted	132,090	2,737,554	2,869,644	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 2,333,991</u>	<u>\$ 5,184,903</u>	<u>\$ 7,518,894</u>	<u>\$ 43</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF CEDAR LAKE  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As Of And For The Year Ended December 31, 2009

	Storm Water	Wastewater	Water	Totals	Internal Service Fund
Operating receipts:					
Metered/measured	\$ -	\$ -	\$ 260,838	\$ 260,838	\$ -
Sales for resale	-	-	33,880	33,880	-
Sales	-	-	2,882	2,882	-
Public street and highway lighting	-	-	28,420	28,420	-
Fees	512,392	3,171,953	-	3,684,345	-
Terminal rent	-	83,053	-	83,053	-
Penalties	-	31,500	-	31,500	-
Charges for services	-	81,776	-	81,776	-
Interfund loan proceeds	-	600,000	-	600,000	70
Miscellaneous	15,797	7,364	901	24,062	-
<b>Total operating receipts</b>	<b>528,189</b>	<b>3,975,646</b>	<b>326,921</b>	<b>4,830,756</b>	<b>70</b>
Operating disbursements:					
Salaries and wages	160,782	348,124	20,567	529,473	-
Employee pensions and benefits	20,091	281,304	172	301,567	-
Purchased wastewater treatment	-	965,969	-	965,969	-
Purchased power	-	126,216	5,493	131,709	-
Material and supplies	53,758	70,728	18,390	142,876	-
Contractual services	70,858	149,039	82,644	302,541	-
Rents	-	14,400	-	14,400	-
Insurance claims and expense	-	47,750	-	47,750	113
Administration and general	-	-	17,190	17,190	-
Equipment and capital improvements	1,523,201	47,143	2,136,065	3,706,409	-
Interfund loans made/repaid	-	500,000	-	500,000	-
Miscellaneous	14,620	80,648	14,615	109,883	-
<b>Total operating disbursements</b>	<b>1,843,310</b>	<b>2,631,321</b>	<b>2,295,136</b>	<b>6,769,767</b>	<b>113</b>
Excess (deficiency) of operating receipts over operating disbursements	(1,315,121)	1,344,325	(1,968,215)	(1,939,011)	(43)
Nonoperating receipts (disbursements):					
System development	-	92,400	-	92,400	-
Debt service reserve from Utilities, Inc.	-	-	72,270	72,270	-
Investment income	21,831	24,737	99	46,667	-
Net proceeds from borrowings	-	-	2,227,500	2,227,500	-
Refunds	-	123,191	-	123,191	-
Grants	-	17,621	-	17,621	-
Debt service of principal	(80,000)	(164,000)	-	(244,000)	-
Interest disbursements	(119,635)	(277,295)	(2,609)	(399,539)	-
<b>Total nonoperating receipts (disbursements)</b>	<b>(177,804)</b>	<b>(183,346)</b>	<b>2,297,260</b>	<b>1,936,110</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(1,492,925)	1,160,979	329,045	(2,901)	(43)
Transfers in	181,501	775,923	112,844	1,070,268	-
Transfers out	(181,501)	(775,923)	(112,844)	(1,070,268)	-
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	(1,492,925)	1,160,979	329,045	(2,901)	(43)
Cash and investment fund balance - beginning	2,333,991	5,184,903	-	7,518,894	43
Cash and investment fund balance - ending	<u>\$ 841,066</u>	<u>\$ 6,345,882</u>	<u>\$ 329,045</u>	<u>\$ 7,515,993</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ 152,071	\$ 5,026,002	\$ 188,171	\$ 5,366,244	\$ -
Restricted assets:					
Cash and investments	688,995	1,319,880	140,874	2,149,749	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 841,066</u>	<u>\$ 6,345,882</u>	<u>\$ 329,045</u>	<u>\$ 7,515,993</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
Restricted for:					
Debt service	\$ 308,992	\$ 1,319,880	\$ 137,992	\$ 1,766,864	\$ -
Other purposes	380,003	-	2,882	382,885	-
Unrestricted	152,071	5,026,002	188,171	5,366,244	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 841,066</u>	<u>\$ 6,345,882</u>	<u>\$ 329,045</u>	<u>\$ 7,515,993</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF CEDAR LAKE  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2008

	Pension Trust Fund	Agency Funds
Additions:		
Contributions:		
Employer	\$ 45,301	\$ -
State	52,924	-
Total contributions	98,225	-
Investment earnings:		
Interest	458	-
Agency fund additions	-	2,430,809
Total additions	98,683	2,430,809
Deductions:		
Benefits	106,140	-
Agency fund deductions	-	2,414,025
Total deductions	106,140	2,414,025
Excess (deficiency) of total additions over total deductions	(7,457)	16,784
Cash and investment fund balance - beginning	124,827	32,923
Cash and investment fund balance - ending	\$ 117,370	\$ 49,707

The notes to the financial statements are an integral part of this statement.

TOWN OF CEDAR LAKE  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2009

	Pension Trust Fund	Agency Funds
Additions:		
Contributions:		
Employer	\$ 66,906	\$ -
State distributions	60,618	-
Total contributions	127,524	-
Investment earnings:		
Interest	260	-
Agency fund additions	-	2,206,166
Total additions	127,784	2,206,166
Deductions:		
Benefits	97,611	-
Agency fund deductions	-	2,215,996
Total deductions	97,611	2,215,996
Excess (deficiency) of total additions over total deductions	30,173	(9,830)
Cash and investment fund balance - beginning	117,370	49,707
Cash and investment fund balance - ending	\$ 147,543	\$ 39,877

The notes to the financial statements are an integral part of this statement.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, and trash.

The Town's financial reporting entity is composed of the following:

Primary Government: Town of Cedar Lake

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The Town is a participant in a joint venture to operate the Cedar Lake Volunteer Fire Department which was created to provide fire protection and emergency medical service. The Town is obligated by contract to remit \$494,000 annually to supplement the Cedar Lake Volunteer Fire Department. Complete financial statements for the Cedar Lake Volunteer Fire Department can be obtained from the Cedar Lake Volunteer Fire Department office at 9430 W. 133rd Ave., P.O. Box 459, Cedar Lake, IN 46303.

Related Organizations

The Town's officials are also responsible for appointing the voting majority of the boards of other organizations, but the Town's accountability for these organizations does not extend beyond making the appointments. The Town appoints a board member of the Northwestern Indiana Regional Planning Commission (NIRPC). NIRPC's primary mission is planning and development coordination in northwestern Indiana, which includes Lake, Porter, and LaPorte Counties.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds,

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The General Fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Wicker and 133rd Property Tax District fund accounts for engineering and construction costs of phase I of the project. The project is to widen and reconstruct the intersection at 133rd Avenue and Wicker Ave. The project also includes the installation of water lines, curbs, sidewalks, and lighting.

The Redevelopment Authority Bond Proceeds fund accounts for various road and storm water drainage projects within the Town.

The Redevelopment Commission Bond Proceeds fund accounts for phase II of the Wicker Avenue and 133rd Avenue project.

The Town reports the following major enterprise funds:

The Storm Water Utility provides for the establishment and maintenance of the Town's storm water collection system.

The Wastewater Utility fund accounts for the processing of the Town's wastewater through the Town of Lowell's wastewater treatment plant. It also accounts for the Town's operation and maintenance of the local pumping stations and collection system.

The Water Utility fund accounts for the operation of the Town's well, purchased water utilities, and the pumping system used to provide water to Town residents.

Additionally, the Town reports the following fund types:

The Internal Service fund provided health insurance and medical coverage for Town employees and dependents. However, in 2009, the Town discontinued the self-insurance fund and began using an insurance carrier to provide health insurance coverage.

The Pension Trust fund accounts for the activity of the 1952 Police Officer's Pension, accumulating resources for pension benefits for retired police officers and their beneficiaries.

Agency funds account for assets held by the Town for payroll deductions and collections for federal, state, and local governmental agencies.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town and its enterprise funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

When both restricted and unrestricted resources are available for use, the Town's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in 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. 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 may 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.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ ordinance, approves the budget for the next year. Copies of the budget resolution/ ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2009, disbursements exceeded budgeted appropriations in the following fund by the amount below:

Fund	2009
Redevelopment Authority Lease Rental Bonds	\$ <u>7,000</u>

These disbursements were funded by a temporary loan from another governmental fund.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Town uses only approved depositories as designated by the Indiana Board of Depositories, for the deposits of all governmental funds. At December 31, 2009, the Town had deposit balances in the amount of \$11,480,894.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2009, the Town and Utilities did not have investments.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Interfund Loans

Outstanding interfund loans at December 31, 2008:

Due to	Due From	Totals
Wastewater Utility	General Fund	\$ 600,000
	Corporation Bond and Interest	
Cumulative Capital Improvement Fund	Sinking Fund	5,608
Wicker and 133 <sup>rd</sup> Property	Redevelopment Lease Rental	
Tax District Fund	Bonds Fund	<u>12,381</u>
Total		<u>\$ 617,989</u>

Outstanding interfund loans at December 31, 2009:

Due to	Due From	Totals
Wastewater Utility	General Fund	\$ 1,100,000
	Corporation Bond and Interest	
Cumulative Capital Improvement Fund	Sinking Fund	10,078
Wicker and 133 <sup>rd</sup> Property	Redevelopment Lease Rental	
Tax District Fund	Bonds Fund	<u>12,386</u>
Total		<u>\$ 1,122,464</u>

IV. Other Information

A. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

The Town has chosen to establish a risk financing fund for risks associated with health insurance for employees and dependents. The risk financing fund is accounted for in the Health Insurance, an internal service fund, where assets are set aside for claim settlements. Amounts were paid into the fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums were based primarily upon a percentage of each funds current year payroll as it relates to total payroll, and are reported as quasi-external interund transactions.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Holding Corporation

The Town has entered into a capital lease with Cedar Lake Town Hall Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Town. The lessor has been determined to be a related party of the Town. Lease payments during the years 2008 and 2009 totaled \$57,000 and \$58,000, respectively.

C. Subsequent Events

On May 27, 2010, the Water Utility refinanced the Waterworks Bond Anticipation Note, Series 2009, with two debt instruments: the Waterworks Revenue Bond, Series 2010, for \$1,700,000 and the Taxable Waterworks Bond Anticipation Note, Series 2010, for \$750,000. Interest rates on the new bond series are 2.92% and 3%, respectively. Proceeds from these bonds will be used to purchase local independent water utilities and expand water service to the Town.

D. Contingent Liabilities

The Town has been named as a defendant in a lawsuit for which the amount of potential damages has been estimated at between \$295,000 and \$370,000. The Town will continue to vigorously defend this case.

E. Rate Structure – Enterprise Funds

Storm Water Utility

The current rate structure was approved by the Town Council on June 6, 2007.

Wastewater Utility

The current rate structure was approved by the Town Council on December 22, 1998.

Water Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on March 21, 2009.

F. Receipts Pledged

Tax Increment Receipts Pledged

The Town has pledged a portion of tax increment financing receipts to repay the \$3,500,000 Lease Rental Bonds of 2007 that were used to expand the economic development area at 133rd Avenue and Morse Street. The bonds are payable solely from the incremental tax financing revenues generated by a lease rental agreement between the Cedar Lake Redevelopment Commission and the Redevelopment Authority. The interest rate of the Lease Rental Bonds is 4.75 percent.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The Town has pledged a portion of tax increment financing receipts to repay \$2,800,000 in tax increment financing (TIF) bonds issued in 2009 to refund the 2006 Redevelopment TIF Bonds; to refund the 2007 Redevelopment Commission Tax Increment Revenue Bond Anticipation Note; and to provide \$1,025,000 in proceeds for the 133rd Avenue and Wicker Avenue project. The bonds are payable solely from the incremental tax revenues. The interest rate on these TIF bonds is 5.125 percent.

Storm Water Utility Receipts Pledged

The Town has pledged future user fee receipts, net of specified operating expenditures, to repay revenue bonds issued in 2007. Proceeds from the bonds provided financing for improvements to the storm water drainage system. The bonds are payable solely from user fee net receipts and are payable through 2028. The interest rate for this bond issue is 5 percent.

Wastewater Utility Receipts Pledged

The Town has pledged future user fee receipts, net of specified operating expenditures, to repay a state revolving fund loan issued in 2000. Proceeds from the loan provided financing for infrastructure improvements. The loan is payable solely from user fee net receipts and is payable through 2020. The interest rate for this loan is 3.5 percent.

The Town has pledged future user fee receipts, net of specified operating expenditures, to repay a rural development loan issued in 2001. Proceeds from the loan provided financing for construction and improvement of the EQ (Equalization) basin. The loan is payable solely from user fee net receipts and is payable through 2037. The interest rate for this loan is 4.75 percent.

The Town has pledged future user fee receipts, net of specified operating expenditures, to repay revenue bonds issued in 1995. Proceeds from the bonds provided financing for infrastructure improvements. The bonds are payable solely from user fee net receipts and are payable through 2016. The interest rate for this bond issue is 5 percent.

Water Utility Receipts Pledged

The Town has pledged future user fee receipts, net of specified operating expenditures, to repay bond anticipation notes (bans) issued in 2009. Proceeds from the bans provided financing for the acquisition of local water systems and improvements. The bans are payable solely from user fee net receipts and are payable through 2025. The interest rate for this issue is 3.15 percent.

G. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. 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 the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 member's 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. The 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the Town during the period ended December 31, 2008 and 2009, were \$70,879 and \$70,725, respectively.

b. 1925 Police Officers' Pension Plan

Plan Description

The Town contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11. The State of Indiana has contributed \$52,924 and \$60,618, for the years ended December 31, 2008 and 2009, respectively, on behalf of the Town. On behalf contributions from the State of Indiana approximates the amount paid out for benefits.

TOWN OF CEDAR LAKE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The Town contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF 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

The contribution requirements of plan members and the Town are established by the Board of Trustees of PERF. The Town's contributions to the plan during the period ended December 31, 2008 and 2009, were \$154,074 and \$147,223, respectively.

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008

	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	General Nonreverting Donations	Redevelopment	Garbage User Fees
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 27,600	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	266,908	116,176	-	-	1,949	-
Charges for services	1,750	-	12,148	-	-	679,138
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	145	-	450	58,296	-	-
<b>Total receipts</b>	<b>268,803</b>	<b>116,176</b>	<b>12,598</b>	<b>58,296</b>	<b>29,549</b>	<b>679,138</b>
<b>Disbursements:</b>						
General government	-	-	-	46,752	-	-
Public safety	-	-	-	-	-	-
Highways and streets	359,055	97,245	-	-	-	-
Sanitation	-	-	-	-	-	673,513
Economic development	-	-	-	-	23,837	-
Culture and recreation	-	-	11,553	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
<b>Debt service:</b>						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Capital outlay:</b>						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	22,249	39,822	-	-	-	-
Economic development	-	-	-	-	70	-
Culture and recreation	-	-	25,030	-	-	-
<b>Total disbursements</b>	<b>381,304</b>	<b>137,067</b>	<b>36,583</b>	<b>46,752</b>	<b>23,907</b>	<b>673,513</b>
Excess (deficiency) of receipts over disbursements	(112,501)	(20,891)	(23,985)	11,544	5,642	5,625
<b>Other financing sources (uses):</b>						
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(112,501)	(20,891)	(23,985)	11,544	5,642	5,625
Cash and investment fund balance - beginning	143,768	66,623	123,992	19,970	7,124	57,961
Cash and investment fund balance - ending	\$ 31,267	\$ 45,732	\$ 100,007	\$ 31,514	\$ 12,766	\$ 63,586
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 12,766	\$ -
<b>Restricted assets:</b>						
Cash and investments	31,267	45,732	100,007	31,514	-	63,586
<b>Total cash and investment assets - ending</b>	<b>\$ 31,267</b>	<b>\$ 45,732</b>	<b>\$ 100,007</b>	<b>\$ 31,514</b>	<b>\$ 12,766</b>	<b>\$ 63,586</b>
<b>Cash and Investment Fund Balance - Ending</b>						
<b>Restricted for:</b>						
General government	\$ -	\$ -	\$ -	\$ 31,514	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	31,267	45,732	-	-	-	-
Sanitation	-	-	-	-	-	63,586
Culture and recreation	-	-	100,007	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	12,766	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 31,267</b>	<b>\$ 45,732</b>	<b>\$ 100,007</b>	<b>\$ 31,514</b>	<b>\$ 12,766</b>	<b>\$ 63,586</b>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Streetscape Grant	Law Enforcement Continuing Education	Casino Gaming Fund	Master Plan Nonreverting	Ambulance Nonreverting Capital
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	7,010	-	-	-
Intergovernmental	391,224	-	124,146	-	-
Charges for services	-	2,795	-	-	-
Fines and forfeits	-	22,925	-	-	-
Interfund loans	473,820	-	-	-	-
Other	-	-	-	-	115
<b>Total receipts</b>	<b>865,044</b>	<b>32,730</b>	<b>124,146</b>	<b>-</b>	<b>115</b>
Disbursements:					
General government	-	-	186,426	9,064	-
Public safety	-	3,519	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Interfund loans	473,820	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	391,224	-	49,300	-	-
Public safety	-	9,079	-	-	16,247
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
<b>Total disbursements</b>	<b>865,044</b>	<b>12,598</b>	<b>235,726</b>	<b>9,064</b>	<b>16,247</b>
Excess (deficiency) of receipts over disbursements	-	20,132	(111,580)	(9,064)	(16,132)
Other financing sources (uses):					
Other receipts	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	20,132	(111,580)	(9,064)	(16,132)
Cash and investment fund balance - beginning	-	9,267	290,473	9,064	28,140
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 29,399</u>	<u>\$ 178,893</u>	<u>\$ -</u>	<u>\$ 12,008</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	29,399	178,893	-	12,008
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 29,399</u>	<u>\$ 178,893</u>	<u>\$ -</u>	<u>\$ 12,008</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
General government	\$ -	\$ -	\$ 178,893	\$ -	\$ -
Public safety	-	29,399	-	-	12,008
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 29,399</u>	<u>\$ 178,893</u>	<u>\$ -</u>	<u>\$ 12,008</u>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Clubhouse Nonreverting	Rainy Day	All Town Funds Investment	Cash Bond Escrow	CLEA-Build Indiana
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interfund loans	-	-	-	-	-
Other	6,500	-	-	-	-
<b>Total receipts</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Disbursements:					
General government	4,005	-	-	171,499	922
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Interfund loans	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
<b>Total disbursements</b>	<b>4,005</b>	<b>-</b>	<b>-</b>	<b>171,499</b>	<b>922</b>
Excess (deficiency) of receipts over disbursements	2,495	-	-	(171,499)	(922)
Other financing sources (uses):					
Other receipts	-	-	-	159,667	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,667</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,495	-	-	(11,832)	(922)
Cash and investment fund balance - beginning	-	43,719	-	130,445	1,116
<b>Cash and investment fund balance - ending</b>	<b>\$ 2,495</b>	<b>\$ 43,719</b>	<b>\$ -</b>	<b>\$ 118,613</b>	<b>\$ 194</b>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	2,495	43,719	-	118,613	194
<b>Total cash and investment assets - ending</b>	<b>\$ 2,495</b>	<b>\$ 43,719</b>	<b>\$ -</b>	<b>\$ 118,613</b>	<b>\$ 194</b>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
General government	\$ 2,495	\$ 43,719	\$ -	\$ 118,613	\$ 194
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2,495</b>	<b>\$ 43,719</b>	<b>\$ -</b>	<b>\$ 118,613</b>	<b>\$ 194</b>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Police Asset Forfeiture	Lake County Solid Waste Grant	Police Grants	EMS Grant	Local Major Moves Construction
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	84,255	17,645	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interfund loans	-	-	-	-	-
Other	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>84,255</b>	<b>17,645</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>					
General government	-	58,762	-	-	-
Public safety	208	-	17,543	-	-
Highways and streets	-	-	-	-	11,357
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Interfund loans	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
<b>Total disbursements</b>	<b>208</b>	<b>58,762</b>	<b>17,543</b>	<b>-</b>	<b>11,357</b>
Excess (deficiency) of receipts over disbursements	(208)	25,493	102	-	(11,357)
<b>Other financing sources (uses):</b>					
Other receipts	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(208)	25,493	102	-	(11,357)
Cash and investment fund balance - beginning	4,157	35,630	8,270	51	120,695
Cash and investment fund balance - ending	<u>\$ 3,949</u>	<u>\$ 61,123</u>	<u>\$ 8,372</u>	<u>\$ 51</u>	<u>\$ 109,338</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	3,949	61,123	8,372	51	109,338
<b>Total cash and investment assets - ending</b>	<u>\$ 3,949</u>	<u>\$ 61,123</u>	<u>\$ 8,372</u>	<u>\$ 51</u>	<u>\$ 109,338</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
General government	\$ -	\$ 61,123	\$ 8,372	\$ 51	\$ -
Public safety	3,949	-	-	-	-
Highways and streets	-	-	-	-	109,338
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 3,949</u>	<u>\$ 61,123</u>	<u>\$ 8,372</u>	<u>\$ 51</u>	<u>\$ 109,338</u>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Economic Development Tourism Grant	Redevelopment Lease Rental Bonds	Corporation Bond And Interest Sinking	Park District Bond Issue	Redevelopment Debt Service Reserve
<b>Receipts:</b>					
Taxes	\$ -	\$ 66,833	\$ 64,118	\$ 27,575	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	4,677	17,286	5,385	1,487	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interfund loans	-	96,500	5,608	-	-
Other	-	-	-	-	61
<b>Total receipts</b>	<b>4,677</b>	<b>180,619</b>	<b>75,111</b>	<b>29,062</b>	<b>61</b>
<b>Disbursements:</b>					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	5,000	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	86
Interfund loans	-	84,119	19,897	10,003	-
Debt service:					
Principal	-	5,000	35,000	12,000	-
Interest	-	91,500	22,000	2,275	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
<b>Total disbursements</b>	<b>5,000</b>	<b>180,619</b>	<b>76,897</b>	<b>24,278</b>	<b>86</b>
Excess (deficiency) of receipts over disbursements	(323)	-	(1,786)	4,784	(25)
<b>Other financing sources (uses):</b>					
Other receipts	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(323)	-	(1,786)	4,784	(25)
Cash and investment fund balance - beginning	1,200	-	5,177	2,590	46,746
Cash and investment fund balance - ending	<u>\$ 877</u>	<u>\$ -</u>	<u>\$ 3,391</u>	<u>\$ 7,374</u>	<u>\$ 46,721</u>
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	877	-	3,391	7,374	46,721
<b>Total cash and investment assets - ending</b>	<u>\$ 877</u>	<u>\$ -</u>	<u>\$ 3,391</u>	<u>\$ 7,374</u>	<u>\$ 46,721</u>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
General government	\$ 877	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	3,391	7,374	46,721
Capital outlay	-	-	-	-	-
Unrestricted	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 877</u>	<u>\$ -</u>	<u>\$ 3,391</u>	<u>\$ 7,374</u>	<u>\$ 46,721</u>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Cumulative Capital Improvement	Cumulative Capital Development	RDC Capital Projects Loan Proceeds	Park District Bond Capital	Totals
<b>Receipts:</b>					
Taxes	\$ -	\$ 113,535	\$ -	\$ -	\$ 299,661
Licenses and permits	-	-	-	-	7,010
Intergovernmental	47,436	20,260	-	-	1,098,834
Charges for services	-	-	-	-	695,831
Fines and forfeits	-	-	-	-	22,925
Interfund loans	29,900	-	-	-	605,828
Other	390	-	100	-	66,057
<b>Total receipts</b>	<b>77,726</b>	<b>133,795</b>	<b>100</b>	<b>-</b>	<b>2,796,146</b>
<b>Disbursements:</b>					
General government	-	-	-	-	477,430
Public safety	-	-	-	-	21,270
Highways and streets	-	-	-	-	467,657
Sanitation	-	-	-	-	673,513
Economic development	-	-	-	1,676	30,513
Culture and recreation	-	-	-	-	11,553
Urban redevelopment and housing	-	-	-	-	86
Interfund loans	5,608	-	-	-	593,447
Debt service:					
Principal	-	-	-	-	52,000
Interest	-	-	-	-	115,775
Capital outlay:					
General government	-	55,232	-	-	495,756
Public safety	-	-	-	-	25,326
Highways and streets	-	-	-	-	62,071
Economic development	65,542	-	-	-	65,612
Culture and recreation	-	-	-	-	25,030
<b>Total disbursements</b>	<b>71,150</b>	<b>55,232</b>	<b>-</b>	<b>1,676</b>	<b>3,117,039</b>
Excess (deficiency) of receipts over disbursements	6,576	78,563	100	(1,676)	(320,893)
<b>Other financing sources (uses):</b>					
Other receipts	-	-	-	-	159,667
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>159,667</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,576	78,563	100	(1,676)	(161,226)
Cash and investment fund balance - beginning	61,170	41,827	10,700	1,676	1,271,551
Cash and investment fund balance - ending	\$ 67,746	\$ 120,390	\$ 10,800	\$ -	\$ 1,110,325
<b>Cash and Investment Assets - Ending</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 12,766
Restricted assets:					
Cash and investments	67,746	120,390	10,800	-	1,097,559
<b>Total cash and investment assets - ending</b>	<b>\$ 67,746</b>	<b>\$ 120,390</b>	<b>\$ 10,800</b>	<b>\$ -</b>	<b>\$ 1,110,325</b>
<b>Cash and Investment Fund Balance - Ending</b>					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 445,851
Public safety	-	-	-	-	45,356
Highways and streets	-	-	-	-	186,337
Sanitation	-	-	-	-	63,586
Culture and recreation	-	-	-	-	100,007
Debt service	-	-	-	-	57,486
Capital outlay	67,746	120,390	10,800	-	198,936
Unrestricted	-	-	-	-	12,766
<b>Total cash and investment fund balance - ending</b>	<b>\$ 67,746</b>	<b>\$ 120,390</b>	<b>\$ 10,800</b>	<b>\$ -</b>	<b>\$ 1,110,325</b>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009

	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Garbage User Fees	Law Enforcement Continuing Education	Casino Gaming Fund
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	1,000	-	-	-	6,230	-
Intergovernmental	275,060	119,664	-	-	7,165	127,151
Charges for services	-	-	11,829	702,828	2,255	-
Fines and forfeits	-	-	-	-	16,224	-
Interfund loans	-	-	-	-	-	-
Other	5,326	-	1,932	-	-	-
<b>Total receipts</b>	<b>281,386</b>	<b>119,664</b>	<b>13,761</b>	<b>702,828</b>	<b>31,874</b>	<b>127,151</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	5,526
Public safety	-	-	-	-	5,601	-
Highways and streets	246,753	91,652	-	-	-	-
Sanitation	-	-	-	701,886	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	9,076	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	8,957	39,261	33,972	-	18,606	26,270
<b>Total disbursements</b>	<b>255,710</b>	<b>130,913</b>	<b>43,048</b>	<b>701,886</b>	<b>24,207</b>	<b>31,796</b>
Excess (deficiency) of receipts over disbursements	25,676	(11,249)	(29,287)	942	7,667	95,355
<b>Other financing sources (uses):</b>						
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	25,676	(11,249)	(29,287)	942	7,667	95,355
Cash and investment fund balance - beginning	31,267	45,732	100,007	63,586	29,399	178,893
Cash and investment fund balance - ending	<u>\$ 56,943</u>	<u>\$ 34,483</u>	<u>\$ 70,720</u>	<u>\$ 64,528</u>	<u>\$ 37,066</u>	<u>\$ 274,248</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 56,943	\$ -	\$ -	\$ 64,528	\$ 37,066	\$ 274,248
Restricted assets:						
Cash and investments	-	34,483	70,720	-	-	-
Total cash and investment assets - ending	<u>\$ 56,943</u>	<u>\$ 34,483</u>	<u>\$ 70,720</u>	<u>\$ 64,528</u>	<u>\$ 37,066</u>	<u>\$ 274,248</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ 34,483	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	70,720	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	56,943	-	-	64,528	37,066	274,248
Total cash and investment fund balance - ending	<u>\$ 56,943</u>	<u>\$ 34,483</u>	<u>\$ 70,720</u>	<u>\$ 64,528</u>	<u>\$ 37,066</u>	<u>\$ 274,248</u>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Streetscape Grant	Police Grants	Ambulance Nonreverting Capital	EMS Grants	Rainy Day	All Town Funds Investment
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	103,776	26,343	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	48,073	-	-	-
<b>Total receipts</b>	<b>103,776</b>	<b>26,343</b>	<b>48,073</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>						
General government	-	28,783	-	-	11,926	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	103,776	-	44,279	-	10,000	-
<b>Total disbursements</b>	<b>103,776</b>	<b>28,783</b>	<b>44,279</b>	<b>-</b>	<b>21,926</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	(2,440)	3,794	-	(21,926)	-
<b>Other financing sources (uses):</b>						
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(2,440)	3,794	-	(21,926)	-
Cash and investment fund balance - beginning	-	8,372	12,008	51	43,719	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 5,932</u>	<u>\$ 15,802</u>	<u>\$ 51</u>	<u>\$ 21,793</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ 5,932	\$ 15,802	\$ 51	\$ 21,793	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ -</u>	<u>\$ 5,932</u>	<u>\$ 15,802</u>	<u>\$ 51</u>	<u>\$ 21,793</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	5,932	15,802	51	21,793	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ -</u>	<u>\$ 5,932</u>	<u>\$ 15,802</u>	<u>\$ 51</u>	<u>\$ 21,793</u>	<u>\$ -</u>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Cash Bond Escrow	CLEA-Build Indiana	Police Asset Forfeiture	Lake County Solid Waste Grant	Redevelopment	Local Major Moves Construction
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 24,530	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	56,170	2,672	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	97,528	-	-	1,714	16,206	-
<b>Total receipts</b>	<b>97,528</b>	<b>-</b>	<b>-</b>	<b>57,884</b>	<b>43,408</b>	<b>-</b>
<b>Disbursements:</b>						
General government	131,163	-	-	56,985	-	-
Public safety	-	-	856	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	27,417	-
Culture and recreation	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total disbursements</b>	<b>131,163</b>	<b>-</b>	<b>856</b>	<b>56,985</b>	<b>27,417</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(33,635)	-	(856)	899	15,991	-
<b>Other financing sources (uses):</b>						
Other receipts	-	-	7,953	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>7,953</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(33,635)	-	7,097	899	15,991	-
Cash and investment fund balance - beginning	118,613	194	3,949	61,123	12,766	109,338
Cash and investment fund balance - ending	<u>\$ 84,978</u>	<u>\$ 194</u>	<u>\$ 11,046</u>	<u>\$ 62,022</u>	<u>\$ 28,757</u>	<u>\$ 109,338</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 84,978	\$ 194	\$ 11,046	\$ 62,022	\$ 28,757	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	109,338
Total cash and investment assets - ending	<u>\$ 84,978</u>	<u>\$ 194</u>	<u>\$ 11,046</u>	<u>\$ 62,022</u>	<u>\$ 28,757</u>	<u>\$ 109,338</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 109,338
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	84,978	194	11,046	62,022	28,757	-
Total cash and investment fund balance - ending	<u>\$ 84,978</u>	<u>\$ 194</u>	<u>\$ 11,046</u>	<u>\$ 62,022</u>	<u>\$ 28,757</u>	<u>\$ 109,338</u>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Economic Development Tourism Grant	General Fund Nonreverting Donation	Clubhouse Nonreverting	Corporation Bond And Interest Sinking	Park District Bond Issue	Redevelopment Debt Service Reserve
Receipts:						
Taxes	\$ 4,773	\$ -	\$ -	\$ 47,306	\$ 19,704	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	3,481	2,226	-
Charges for services	-	-	6,000	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	38,552	19,008	-
Other	-	57,669	-	-	-	-
<b>Total receipts</b>	<b>4,773</b>	<b>57,669</b>	<b>6,000</b>	<b>89,339</b>	<b>40,938</b>	<b>-</b>
Disbursements:						
General government	5,000	45,126	5,784	-	-	25
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Interfund loans	-	-	-	34,081	19,008	-
Debt service:						
Principal	-	-	-	35,000	24,000	-
Interest	-	-	-	21,474	3,763	-
Capital outlay:						
General government	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,000</b>	<b>45,126</b>	<b>5,784</b>	<b>90,555</b>	<b>46,771</b>	<b>25</b>
Excess (deficiency) of receipts over disbursements	(227)	12,543	216	(1,216)	(5,833)	(25)
Other financing sources (uses):						
Other receipts	-	-	-	-	-	12
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(227)	12,543	216	(1,216)	(5,833)	(13)
Cash and investment fund balance - beginning	877	31,514	2,495	3,391	7,374	46,721
Cash and investment fund balance - ending	\$ 650	\$ 44,057	\$ 2,711	\$ 2,175	\$ 1,541	\$ 46,708
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 650	\$ 44,057	\$ 2,711	\$ -	\$ 1,541	\$ 46,708
Restricted assets:						
Cash and investments	-	-	-	2,175	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 650</b>	<b>\$ 44,057</b>	<b>\$ 2,711</b>	<b>\$ 2,175</b>	<b>\$ 1,541</b>	<b>\$ 46,708</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	2,175	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	650	44,057	2,711	-	1,541	46,708
<b>Total cash and investment fund balance - ending</b>	<b>\$ 650</b>	<b>\$ 44,057</b>	<b>\$ 2,711</b>	<b>\$ 2,175</b>	<b>\$ 1,541</b>	<b>\$ 46,708</b>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2009  
 (Continued)

	Redevelopment Lease Rental Bonds	Cumulative Capital Improvement	Cumulative Capital Development	RDC Capital Projects Loan Proceeds	Totals
<b>Receipts:</b>					
Taxes	\$ 165,848	\$ -	\$ 193,147	\$ -	\$ 455,308
Licenses and permits	-	-	-	-	7,230
Intergovernmental	13,843	28,453	15,989	-	781,993
Charges for services	-	-	-	-	722,912
Fines and forfeits	-	-	-	-	16,224
Interfund loans	171,000	53,089	-	-	281,649
Other	-	-	21	28	228,497
<b>Total receipts</b>	<b>350,691</b>	<b>81,542</b>	<b>209,157</b>	<b>28</b>	<b>2,493,813</b>
<b>Disbursements:</b>					
General government	-	-	-	-	290,318
Public safety	-	-	-	-	6,457
Highways and streets	-	-	-	-	338,405
Sanitation	-	-	-	-	701,886
Economic development	-	12,913	-	-	40,330
Culture and recreation	-	-	-	-	9,076
Interfund loans	171,046	57,560	-	-	281,695
Debt service:					
Principal	10,000	-	-	-	69,000
Interest	161,000	-	-	-	186,237
Capital outlay:					
General government	-	14,752	80,198	-	380,071
<b>Total disbursements</b>	<b>342,046</b>	<b>85,225</b>	<b>80,198</b>	<b>-</b>	<b>2,303,475</b>
Excess (deficiency) of receipts over disbursements	8,645	(3,683)	128,959	28	190,338
<b>Other financing sources (uses):</b>					
Other receipts	-	-	-	-	7,965
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,965</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,645	(3,683)	128,959	28	198,303
Cash and investment fund balance - beginning	-	67,746	120,390	10,800	1,110,325
Cash and investment fund balance - ending	<u>\$ 8,645</u>	<u>\$ 64,063</u>	<u>\$ 249,349</u>	<u>\$ 10,828</u>	<u>\$ 1,308,628</u>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ -	\$ 64,063	\$ -	\$ -	\$ 823,090
Restricted assets:					
Cash and investments	8,645	-	249,349	10,828	485,538
<b>Total cash and investment assets - ending</b>	<u>\$ 8,645</u>	<u>\$ 64,063</u>	<u>\$ 249,349</u>	<u>\$ 10,828</u>	<u>\$ 1,308,628</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 143,821
Culture and recreation	-	-	-	-	70,720
Debt service	8,645	-	-	-	10,820
Capital outlay	-	-	249,349	10,828	260,177
Unrestricted	-	64,063	-	-	823,090
<b>Total cash and investment fund balance - ending</b>	<u>\$ 8,645</u>	<u>\$ 64,063</u>	<u>\$ 249,349</u>	<u>\$ 10,828</u>	<u>\$ 1,308,628</u>

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008

	Payroll	Net Wage Clearing Account	Totals
Additions:			
Agency fund additions	\$ 2,430,809	-	\$ 2,430,809
Deductions:			
Agency fund deductions	2,414,025	-	2,414,025
Excess (deficiency) of total additions over total deductions	16,784	-	16,784
Cash and investment fund balance - beginning	32,446	477	32,923
Cash and investment fund balance - ending	\$ 49,230	\$ 477	\$ 49,707

TOWN OF CEDAR LAKE  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2009

	Payroll	Net Wage Clearing Account	Totals
Additions:			
Agency fund additions	\$ 2,206,166	\$ -	\$ 2,206,166
Deductions:			
Agency fund deductions	2,215,996	-	2,215,996
Excess (deficiency) of total additions over total deductions	(9,830)	-	(9,830)
Cash and investment fund balance - beginning	49,230	477	49,707
Cash and investment fund balance - ending	\$ 39,400	\$ 477	\$ 39,877

TOWN OF CEDAR LAKE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended 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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated	
Land	\$ 7,958,538
Infrastructure	14,480,028
Buildings	849,910
Improvement other than buildings	159,653
Machinery and equipment	2,125,339
Construction in progress	<u>2,694,046</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 28,267,514</u>
	<u>Ending Balance</u>
Storm Water Utility:	
Capital assets, not being depreciated	
Improvements other than buildings	\$ 4,411,411
Machinery and equipment	1,867,492
Construction in progress	<u>153,950</u>
Total Storm Water Utility capital assets not being depreciated	<u>6,432,853</u>
Wastewater Utility:	
Capital assets:	
Land	1,759,255
Buildings	54,832
Improvements other than buildings	12,875,678
Machinery and equipment	<u>253,925</u>
Total Wastewater Utility capital assets not being depreciated	<u>14,943,690</u>
Water Utility:	
Capital assets:	
Land	415,400
Buildings	153,213
Improvements other than buildings	2,414,090
Machinery and equipment	<u>120,015</u>
Total Water Utility capital assets not being depreciated	<u>3,102,718</u>
Total business-type activities capital assets	<u>\$ 24,479,261</u>

TOWN OF CEDAR LAKE  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
For The Year Ended December 31, 2009

Description of Asset	Ending Balance	Principal Due Within One Year
Governmental activities:		
Capital leases:		
Town Hall	\$ 230,000	\$ 57,500
Copiers	4,627	4,627
2007 Police Squad Cars	36,482	12,149
2008 Police Squad Cars	45,804	22,240
2009 Police Squad Cars	63,191	20,230
2006 Ambulance	33,548	10,853
2009 Ambulance	94,529	17,555
Paving Equipment	114,777	56,243
Radio Equipment	18,660	9,243
Operations Director Truck	17,217	5,347
Bonds payable:		
General obligation bonds:		
2001 Park Acquisition Bond	68,000	26,000
2007 Redevelopment Lease Rental Bond	3,485,000	15,000
2009 Redevelopment TIF Bond	<u>2,800,000</u>	<u>90,000</u>
Total governmental activities long-term debt	<u>\$ 7,011,835</u>	<u>\$ 346,987</u>
Business-type activities:		
Storm Water Utility:		
Capital leases:		
Street Sweeper	\$ 33,641	\$ 22,208
Excavator	36,560	5,416
Revenue bonds:		
2007 Storm Water District Revenue Bonds	<u>2,590,000</u>	<u>90,000</u>
Total Storm Water Utility long-term debt	<u>2,660,201</u>	<u>117,624</u>
Wastewater Utility:		
Capital leases:		
Truck	28,966	4,291
Loan payable:		
State Revolving Loan	2,192,000	20,000
Rural Development Loan	3,153,000	36,000
Revenue bonds:		
1995 Wastewater Improvement Bond	<u>938,000</u>	<u>115,000</u>
Total Wastewater Utility long-term debt	<u>6,311,966</u>	<u>175,291</u>
Water Utility:		
Revenue bonds:		
Waterworks Refunding Revenue Bonds, Series 2009	994,000	45,000
Waterworks Bond Anticipation Note, Series 2009	<u>2,250,000</u>	<u>95,000</u>
Total Water Utility long-term debt	<u>3,244,000</u>	<u>140,000</u>
Total business-type activities debt	<u>\$ 12,216,167</u>	<u>\$ 432,915</u>

TOWN OF CEDAR LAKE  
AUDIT RESULTS AND COMMENTS

PAYROLL DEFICIENCIES - POLICE DEPARTMENT

The following deficiencies were noted in the review of payroll in the Police Department:

1. Timesheets did not list specific time of day worked.
2. Overtime was not paid according to the applicable policy.

On April 27, 2005, the Town of Cedar Lake, Board of Metropolitan Police Commissioners, passed Resolution No. 105, establishing and adopting the "Standard Operating Procedures and Policy Manual" for the guidance and governance of the Cedar Lake Metropolitan Police Department. Chapter 4, Personnel, Section 2, Working Conditions, Part I. C. Hours of Work and Overtime, states:

"Members shall work such hours and shifts as may be assigned. Sworn members who are non-exempt from the overtime provisions of the Fair Labor Standards Act shall be paid overtime for those hours in excess of eighty-six (86) in a fourteen (14) day pay cycle at a rate of 150% of the normal hourly rate, in either compensatory time or cash, at the discretion of the Chief of Police. Officers who apply for overtime compensation are required to document their claim for overtime on their daily activity report form. All claims are subject to review by the Chief of Police."

The Federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins be kept for all employees. These requirements can be met by use of the following prescribed general forms:

General Form 99A, Employees' Service Record  
General Form 99B, Employee's Earnings Record  
General Form 99C, Employee's Weekly Earnings Record

General Form 99C is required only for employees who are not exempt from FLSA, are not on a fixed work schedule, and are not paid weekly. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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 Cities and Towns, Chapter 7)

Each governmental unit should adopt a written policy regarding the accrual and use of leave time and compensatory time and the payment of overtime. Negotiated labor contracts approved by the governing board would be considered as written policy. The policy should conform to the requirements of all state and federal regulatory agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

COMINGLED POLICE REVENUE

The Police Department collects fees for accident reports, handgun licenses, and inspection of motor vehicles and posts these receipts into the local law enforcement continuing education fund (LEEF fund #210) as required by statute. However, in 2008 and 2009, the Police Department also commingled tow release fees and grant revenue into the local law enforcement continuing education fund (210). Per Indiana Code, the Local Law Enforcement Continuing Education Fund is to be funded by specific revenue sources and is to be used for specific purposes. The Town's Ordinance No. 1027, specifies that tow release fees are to be processed to the "non-reverting police equipment fund".

TOWN OF CEDAR LAKE  
AUDIT RESULTS AND COMMENTS  
(Continued)

The following types of revenue shall be deposited into the local law enforcement continuing education fund established under IC 5-2-8-2:

1. Law Enforcement Continuing Education fees (IC 33-19-8-4 and IC 33-19-8-6)
2. Inspection of Motor Vehicles fees (IC 9-29-4-2)
3. Vehicle Accident Report fees (IC 9-29-11-1)
4. Handgun Licenses fees (IC 35-47-2-3)
5. Proceeds from the Sale of Confiscated Weapons (IC 35-47-3-2)

(Cities and Towns Bulletins and Uniform Compliance Guidelines, September, 2003)

On January 8, 2008, the Town Council passed Ordinance No 1027, regarding a fee for the towed vehicles. This ordinance states: "Vehicle Tow Release Fee. A fee of twenty dollars (\$20) shall be assessed and collected for any vehicle tow release performed by the Metropolitan Police Department in instances when criminal charges are filed against the owner of the vehicle as a result of the incident that caused the vehicle to be towed. The processing of the fee shall be in conformance with the applicable requirements of the State Board of accounts. Said fee shall be paid directly to the Police Department and thereafter shall be processed to the non-reverting police equipment fund."

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

#### EMERGENCY MEDICAL SERVICES FEES

Town Ordinance No. 867 establishes a policy and procedure for collection of ambulance and emergency medical services accounts. The ordinance states that a 10% penalty will be applied to any account not paid within 30 days of billing. Upon review of delinquent accounts, it has been determined that the 10% penalty is not being applied to all of the delinquent accounts. Those that were assessed a penalty were charged a flat rate of \$63.00 instead of the 10% of the charges.

In addition, individuals who were not transported to a hospital, but given "lift assist", were not charged the \$150.00 as stated in the fee schedule.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

#### WASTEWATER UTILITY PENALTY CALCULATION

The computer system does not calculate the Wastewater penalty correctly on accounts that have been adjusted. The penalty should be calculated on the billed amount that was not paid by the 20th of the month. If an adjustment is made after the bill has been calculated, the system will calculate the penalty based on the adjustment amount. Officials must manually correct the erroneous penalty.

TOWN OF CEDAR LAKE  
AUDIT RESULTS AND COMMENTS  
(Continued)

Ordinance 649, states regarding the collection of sewage charges:

"The Rates and Charges established by this Chapter shall be issued by the Town monthly. The Billing shall be issued by the Town on or about the 1st day of each month. The Rates and Charges billed shall be paid no later than the 20th day of each month. In the event such billing is not paid on or before the 20th of each month, then a ten (10%) penalty shall be imposed."

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

#### CLUBHOUSE RENTALS

The clubhouse is available for rent to Town residents and requires a donation of \$50.00. This is not a donation but a rental fee which has not been approved by ordinance. In addition, a written contract was not presented for audit to establish liability and the terms for the use of the clubhouse.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

The governmental unit should ensure it is adequately protected for all risks of loss. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

#### BUILDING PERMIT FEES

Fees were collected for planning, zoning, building, and inspections. Out of the eleven permits reviewed, five of the permits had one or more of the following deficiencies:

1. Two permits under charged the zoning fee.
2. One permit overcharged the zoning fee.
3. Two permits overcharged the plan review fee.
4. Two permits charged \$50 for 50 amp service which was not included on the fee schedule.
5. Two permits did not contain enough information to determine if the correct fees were charged.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF CEDAR LAKE  
AUDIT RESULTS AND COMMENTS  
(Continued)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

The records presented for audit indicated the following fund had expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Redevelopment Lease Rental Bonds	2009	<u>\$ 7,000</u>

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

REDEVELOPMENT COMMISSION BOARD MEETING MINUTES

Board meetings minutes, for seven months in 2007, five months in 2008, and six months in 2009 were not available for audit. This was noted in the prior audit.

IC 5-14-1-5-4 states in part:

"(b) As the meetings progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes take, by individual members if there is a roll call.
- (5) As additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Cedar Lake (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended December 31, 2008 and 2009. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2008 and 2009.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A control deficiency in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The Town's response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 28, 2010

TOWN OF CEDAR LAKE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Years Ended December 31, 2008 and 2009

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-08	Total Federal Awards Expended 12-31-09
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Direct Grant				
Economic Development Initiative - Special Project, Neighborhood Initiative and Miscellaneous Grants Streetscape	14.251	B-06-SP-IN-0351	\$ 391,224	\$ 103,776
Total for federal grantor agency			<u>391,224</u>	<u>103,776</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Direct Grant				
Bulletproof Vest Partnership Program	16.607		-	855
Total for federal grantor agency			<u>-</u>	<u>855</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Construction Management	20.205	STP - H465003	211,051	99,890
Total for federal grantor agency			<u>211,051</u>	<u>99,890</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Disaster # 1795	-	25,369
Total for federal grantor agency			<u>-</u>	<u>25,369</u>
Total federal awards expended			<u>\$ 602,275</u>	<u>\$ 229,890</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF CEDAR LAKE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Cedar Lake (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF CEDAR LAKE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.251	Economic Development Initiative – Special Project, Neighborhood Initiative and Miscellaneous Grants
20.205	Highway Planning and Construction

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF CEDAR LAKE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF CEDAR LAKE  
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2010, with Amy J. Sund, Clerk-Treasurer; Ian Nicolini, Town Administrator; Dennis Wilkening, President of the Town Council; and Jill Murr, Chief Deputy Clerk-Treasurer. The official response has been made a part of this report and may be found on pages 53 through 56.



## TOWN OF CEDAR LAKE

### *Office of the Clerk-Treasurer*

7408 Constitution Avenue, PO Box 707, Cedar Lake, IN 46303-0707

Tel: (219) 374-7000 Fax: (219) 374-8588

November 15, 2010

Indiana State Board of Accounts  
302 West Washington Street, Room E418  
Indianapolis, IN 46204-2769

RE: Response to 2010 Audit Comments

Thank you for your prompt attention to my concerns that the Town of Cedar Lake had not been audited since December 31, 2006. Despite budget constraints, it is imperative that the State Board of Accounts continue the tradition of providing an added system of checks and balances to governmental units.

We appreciate your time and effort in bringing these matters to our attention. The Town's responses regarding the topics noted in your audit report are as follows.

#### PAYROLL DEFICIENCIES – POLICE DEPARTMENT

The Police Commission adopted an amendment to the Standard Operating Procedures dated October 27, 2010 as attached. Time sheets will be submitted by the department as recommended concerning the time of day worked.

#### COMINGLED POLICE REVENUE

In 2011, the Town will establish a Police Non-Reverting Equipment Fund separate from the General Non-Reverting Gift and Donation Fund. This will provide greater transparency and efficiency concerning the receipt of monies for equipment purchases.

#### EMERGENCY MEDICAL SERVICES FEES

The Town has since re-structured personnel to better handle the intensity of this position for precise accountability. The person designated to handle EMS collections and billing is well-versed in such practices, and understands the importance of consistency, and following Town ordinances.

WASTEWATER UTILITY PENALTY CALCULATION

As discussed with auditors and personnel, the software program implemented to calculate penalties should be capable of correctly generating an amount. Not doing so defeats the purpose of using a computerized program to perform such functions. This matter will be forwarded to our software company in order to rectify the situation.

CLUBHOUSE RENTALS

See attached letter from the Park Director.

BUILDING PERMIT FEES

The person responsible for calculating fees is no longer employed with the Town.

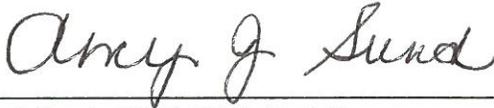
APPROPRIATIONS

The Town of Cedar Lake advertised a budget of \$175,000 for the Redevelopment Authority Bond Lease-Rental payments for 2009. The Department of Local Government Finance approved a budget of \$165,000. The amortization schedule reflected payments of \$171,000, and the Department of Local Government Finance would have had this information available when reviewing the Town's budget requirements. The Town should have requested an additional appropriation in the sum of \$7,000, and then submitted same to the Department of Local Government Finance for their approval before the end of 2009.

REDEVELOPMENT COMMISSION BOARD MEETING MINUTES

It was determined that the previous president of the Commission retained minutes that belonged to the Town. The current Commission is aware of its responsibilities concerning the keeping of minutes, and makes every effort to comply so this matter will not be repeated.

Respectfully,  
TOWN OF CEDAR LAKE, LAKE COUNTY, INDIANA



Amy J. Sund, IAMC, CMC, Clerk-Treasurer

REVISION

CHAPTER FOUR  
Cedar Lake Metropolitan Police Department  
**SECTION 2: WORKING CONDITIONS**

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**I. GENERAL**

**A. Nepotism**

No member of the Department shall supervise or be supervised by, directly or indirectly, any spouse, parent, child, brother, sister, brother-in-law, sister-in-law, son-in-law, daughter-in-law, niece, nephew, uncle, or aunt.

**B. Residence and Telephone**

All sworn Department members and employees must reside within 15 miles of the corporate boundaries of the Town of Cedar Lake, Lake County, Indiana, and must maintain working phone service at all times. In the event that the member's address or phone line are changed, immediate notice must be given to the Chief of Police.

**C. Hours of Work and Overtime**

Members and employees shall work such hours and shifts as may be assigned. Sworn members who are non-exempt from the overtime provisions of the Fair Labor Standards Act shall be paid overtime for those hours in excess of regularly scheduled hours in a fourteen (14) day pay cycle at the rate of 150% of their normal hourly rate, in either compensatory time or cash, at the discretion of the Chief of Police. The regularly scheduled work hours for uniformed police officers is four eight and one half hour shifts followed by two days off, and for detectives, five eight hour work shifts followed by two days off. Officers who apply for overtime compensation are required to document their claim for overtime on their daily activity report form. All such claims are subject to review by the Chief of Police. Non sworn or civilian employees who are non-exempt shall be paid overtime for those hours in excess of 40 hours per week at the rate of 150% of their normal hourly rate. Compensation for overtime worked as a result of participation in special projects and details under State, Federal or Local grants shall be paid at the rate of 150% of the normal hourly rate.

**D. CALL BACK**

In unanticipated emergency situations, department members may be required to stay over, even if they have completed their assigned shift. In these situations the officer will be compensated for the additional time worked.

**E. Call Out**

1. In other situations, officers may be called out for short periods of time when off-duty, (e.g. training, chemical tests for intoxication, officer etc.).

Revision Date: 10/27/2010  
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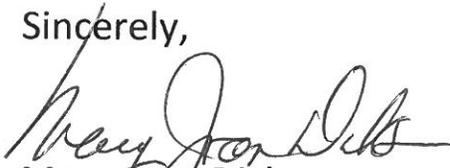
Cedar Lake Parks & Recreation Department  
7408 Constitution Avenue  
Cedar Lake, IN 46303  
219-374-4444

November 12, 2010

Dear Amy Sund,

In letter is in response to your memo dated November 10, 2010, referring to the Clubhouse Rentals. This was discussed at the Cedar Lake Park Board Meeting on November 11, 2010. They will be review fees for rental at their December meeting and have fees set for an Ordinance by mid January. Once that information is collected a resolution will be put in place and the Insurance Company will be notified.

Sincerely,



Mary Joan Dickson  
Park Director