

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

EXAMINATION REPORT
OF
TOWN OF LEO-CEDARVILLE
ALLEN COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
12/10/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Pamela K. Spannuth	01-01-08 to 12-31-11
President of the Town Council	John Clendenen Paul Steffens	01-01-07 to 12-31-08 01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LEO-CEDARVILLE, ALLEN COUNTY, INDIANA

We have examined the financial information presented herein of the Leo-Cedarville (Town), for the period of January 1, 2008 to December 31, 2009. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 6, 2010

TOWN OF LEO-CEDARVILLE
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 363,438	\$ 443,412	\$ 431,030	\$ 375,820
Motor Vehicle Highway	158,696	155,687	141,804	172,579
Local Road and Street	104,842	26,761	-	131,603
Park and Recreation	54,949	27,549	53,498	29,000
Rainy Day	51,994	26,680	3,500	75,174
Donation	2,925	78,133	76,894	4,164
Cumulative Capital Improvement	53,831	9,048	-	62,879
Cumulative Capital Development	120,821	34,051	130,000	24,872
CEDIT	300,114	242,789	228,740	314,163
Cumulative Fire	118,837	22,213	-	141,050
Proprietary Fund:				
Stormwater Utility - Operating	112,325	131,026	102,104	141,247
Totals	<u>\$ 1,442,772</u>	<u>\$ 1,197,349</u>	<u>\$ 1,167,570</u>	<u>\$ 1,472,551</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 375,820	\$ 396,077	\$ 493,742	\$ 278,155
Motor Vehicle Highway	172,579	142,660	168,425	146,814
Local Road and Street	131,603	33,772	105,241	60,134
Park and Recreation	29,000	58,068	56,306	30,762
Rainy Day	75,174	14,531	-	89,705
Donation	4,164	1,617	60	5,721
Cumulative Capital Improvement	62,879	8,530	5,700	65,709
Cumulative Capital Development	24,872	31,417	41,998	14,291
CEDIT	314,163	287,887	160,162	441,888
Cumulative Fire	141,050	20,495	-	161,545
Proprietary Funds:				
Stormwater Utility - Operating	141,247	119,286	172,625	87,908
Garbage Service	-	68,554	61,573	6,981
Totals	<u>\$ 1,472,551</u>	<u>\$ 1,182,894</u>	<u>\$ 1,265,832</u>	<u>\$ 1,389,613</u>

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

TOWN OF LEO-CEDARVILLE
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

Note 2. Fund Accounting

The District uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the District in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the District on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the District to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Subsequent Event

In 2010, the Town obtained a loan for \$850,000 to fund road repairs and other public works projects while the price of construction is low. The loan is to be repaid from the Town's CEDIT Fund over the next five years at an interest rate of 3.5%.

TOWN OF LEO-CEDARVILLE
 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	\$ 432,346
Infrastructure	11,329,912
Buildings	725,244
Improvements other than buildings	411,619
Machinery and equipment	108,324
Total governmental activities, capital assets not being depreciated	<u>\$ 13,007,446</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Stormwater Utility:	
Capital assets, not being depreciated:	
Machinery and equipment	\$ 1,879

TOWN OF LEO-CEDARVILLE
EXAMINATION RESULT AND COMMENT

FAILURE TO SUBMIT ANNUAL REPORT ELECTRONICALLY

The Town failed to submit their 2009 Annual Report electronically to the State Board of Accounts in a timely manner. On September 29, 2010, the Town submitted the 2009 Annual Report electronically.

IC 5-11-1-4 states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be filed electronically, in a manner prescribed by the state examiner that is compatible with the technology employed by the political subdivision."

TOWN OF LEO-CEDARVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 6, 2010, with Pamela K. Spannuth, Clerk-Treasurer, and Paul Steffens, President of the Board. The official response has been made a part of this report and may be found on pages 9 through 12.



State Board of Accounts

302 West Washington Street, Room E418

Indianapolis, IN 46204-2765

To Whom it May Concern:

I would like to file an Official Response to the comment in the recent audit for the Town of Leo-Cedarville (1/1/08 – 12/31/09).

Although I did not submit the 2009 CTAR electronically, I would like the report to state that Leo-Cedarville's 2009 CTAR was received in paper format. I have a copy stamped "received by the State Board of Accounts" dated March 1, 2010. I also have enclosed a copy of the instructions that are provided by Keystone Software Systems that state "this report has been approved for submitting, by the SBA, for the Town of Churubusco. You must use the cover page from the CTAR that is sent to you by the SBA and submit it with the form printed from the computer." After several failed attempts to submit the CTAR electronically, I did follow the above instructions and send to the SBA.

Thank you for your consideration.

Pamela Spannuth

A handwritten signature in black ink, appearing to read "P. Spannuth", with a long horizontal flourish extending to the right.

Leo-Cedarville Clerk-Treasurer

www.LeoCedarville.com

PO Box 408, Leo, IN 46765 - Phone (260) 627-6321 Fax (260) 627-0471

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FEDERAL IDENTIFICATION NUMBER:

35-196-4719

STATE OF INDIANA
STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET, ROOM E-418
INDIANAPOLIS, IN 46204-2765
TELEPHONE: (317) 232-2513

CITY/TOWN

NAME: Town of Leo-Cedarville

COUNTY: Allen

ANNUAL CITY AND TOWN FINANCIAL REPORT
PRESCRIBED BY
THE STATE BOARD OF ACCOUNTS

CTAR-1 (Revised 200)

ID: _____

(State Board of Accounts USE ONLY)

FOR THE FISCAL YEAR THAT ENDED DECEMBER 31, 200

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- PART 1 - STATEMENT OF RECEIPTS, DISBURSEMENTS, CASH BALANCES AND INVESTMENT BALANCES
- PART 2 - RECEIPT REPORT - ACTUAL RECEIPTS BY FUND
- PART 3 - DISBURSEMENT REPORT BY FUND AND DEPARTMENT
- PART 4 - MUNICIPAL UTILITIES REPORT: WATER, WASTEWATER, ELECTRIC, GAS, PUBLIC TRANSPORTATION, TRASH COLLECTION
- PART 5 - CASH AND INVESTMENTS AT DECEMBER 31, 2007
- PART 6 - LONG-TERM INDEBTEDNESS
- PART 7 - INTERGOVERNMENTAL EXPENDITURES
- PART 8 - STATEMENT OF FEDERAL GRANT RECEIPTS AND DISBURSEMENTS
- PART 9 - STATEMENT OF STATE GRANT RECEIPTS AND DISBURSEMENTS
- PART 10 - REPORT ON CAPITAL ASSETS PURCHASED FROM GOVERNMENTAL FUNDS
- PART 11 - REPORT ON FINANCIAL ASSISTANCE TO NONGOVERNMENTAL ENTITIES

RECEIVED
MAR 01 2010
STATE BOARD OF ACCOUNTS

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CERTIFICATION: This is to certify that the data contained in this report is accurate to the best of my knowledge and belief.

SIGNATURE OF OFFICIAL: Ppa

TITLE: Clerk-Treasurer

PRINTED NAME OF OFFICIAL: Pamela Spannuth

DATE SIGNED: 2/26/2010

ADDRESS: P.O. BOX 408

CITY: LEO

TELEPHONE (BETWEEN THE HOURS OF 8:30 AM - 4:00 PM): 260,621-6321 EXT:

ZIP: 46745

*If the City/Town, or the Departments thereof, has more than one Federal Identification Number, please list on a separate sheet and attach to this report (1) the assigned number(s), (2) the name or department identified by this number(s), and (3) corresponding address(es).

SECRET

Annual Report- CTAR paper form[Top](#) [Previous](#) [Next](#)

Annual Report

KEYSTONE PROVIDES THE FOLLOWING CHARTS BASED ON INFORMATION PROVIDED BY THE STATE BOARD OF ACCOUNTS FROM THEIR WEBSITE AND ANNUAL REPORT PAPER FORM, WHICH COULD BE SUBJECT TO CHANGE. IF YOU DON'T KNOW WHAT CODES TO USE PLEASE CONTACT THE STATE BOARD OF ACCOUNTS FOR HELP IN DETERMINING THE PROPER CODE. KEYSTONE PROVIDES THESE CODES AS A COURTESY TO OUR CLIENTS.

This creates your "Clerk Treasurers Annual Report (CTAR) required by the SBA. It has a menu of its own. You must first create the report, then you add to it, edit it and send it in at a later date. This report has been approved for submitting, by the SBA, for the Town of Churubusco. You must use the cover page from the CTAR that is sent to you by the SBA and submit it with the form printed from the computer.

For the annual report to work correctly, you must have tax codes from the CTAR form on all funds, revenue and appropriation accounts. There is a field on each account for the tax code #. After these are entered you will be able to successfully create, edit and print your annual report.

IF YOU PLAN TO SUBMIT YOUR CTAR MAGNETICALLY PLEASE SEE Annual Report - CTAR Mag Media FOR SPECIFIC INSTRUCTIONS ON SETTING UP CODES BEFORE YOU CREATE YOUR ANNUAL REPORT.

Go to YEAR END | ANNUAL REPORT MENU | CREATE TRANSACTION FILE

Parts 1 – 4

The system will go through the Fund, Revenue and Appropriation accounts to verify that there are tax codes associated with all numbers. If a tax code is missing, a message will display showing the item missing the required tax code. You will have the opportunity to enter a tax code at that time. However, you must still input the missing tax code to the number under ADMIN for the future.

Tax codes are listed on your CTAR form.

Part 5 Cash and Investments

The system will ask you if you wish to enter more cash/investment items at this time. Answer "Yes" to add or "No" to continue to Part 6.

Part 6 – Long Term Indebtedness as of December 31

Fill out the form, if applicable.

Valid Debt Codes 22100 = General Obligation Bonds

- 22301 = Water Utility Revenue Bonds
- 22302 = Wastewater Utility Revenue Bonds
- 22303 = Electric Utility Revenue Bonds
- 22304 = Gas Utility Revenue Bonds
- 22305 = Transit System Bonds
- 22306 = Mortgage Revenue Bonds
- 22307 = Industrial Revenue Bonds
- 22399 = Other Revenue Bonds Payable
- 23100 = Long Term Leases

Part 7 – Intergovernmental Expenditures

Fill out the form, if applicable.

Part 8 – Statement of Federal Grant Receipts, Disbursements & Balances

Fill out the form, if applicable.

Part 9 – Statement of State Grant Receipts, Disbursements & Balances

Fill out the form, if applicable.

Part 10 – General Fixed Assets

Fill out the form, if applicable.

Part 11 – Financial Assistance to Non-Governmental Entities
Fill out the form, if applicable.

If you wish to EDIT the annual report, go to [YEAREND | ANNUAL REPORT MENU | EDIT ANNUAL REPORT](#).
You can delete, add to or change any item on your annual report. Choose the appropriate Part and make your changes.