

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
CLEVELAND TOWNSHIP
WHITLEY COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/28/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Roland King	01-01-03 to 12-31-06
Chairman of the Township Board	Kenneth Sherbahn	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CLEVELAND TOWNSHIP, WHITLEY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Cleveland Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 12, 2006

CLEVELAND TOWNSHIP, WHITLEY COUNTY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 143,323	\$ 99,396	\$ 73,328	\$ 169,391
Dog	970	1,161	1,120	1,011
Township Assistance	5,658	4,737	6,559	3,836
Firefighting	45	82,682	62,326	20,401
Park and Recreation	4,838	787	3,000	2,625
Horse Drawn Vehicles	-	2,275	2,275	-
Levy Excess	211	-	-	211
Fire Equipment Debt	-	62,086	51,400	10,686
Cumulative Fire Building and Equipment	20,238	27,908	8,350	39,796
Library	37	32,532	30,900	1,669
Building Contribution	-	4,000	4,000	-
Totals	<u>\$ 175,320</u>	<u>\$ 317,564</u>	<u>\$ 243,258</u>	<u>\$ 249,626</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 169,391	\$ 100,924	\$ 72,754	\$ 197,561
Dog	1,011	1,170	786	1,395
Township Assistance	3,836	14,161	6,071	11,926
Firefighting	20,401	93,290	58,101	55,590
Park and Recreation	2,625	307	1,700	1,232
Horse Drawn Vehicles	-	2,205	2,205	-
Levy Excess	211	-	-	211
Fire Equipment Debt	10,686	58,302	55,881	13,107
Cumulative Fire Building and Equipment	39,796	34,666	29,950	44,512
Library	1,669	45,830	36,800	10,699
Totals	<u>\$ 249,626</u>	<u>\$ 350,855</u>	<u>\$ 264,248</u>	<u>\$ 336,233</u>

The accompanying notes are an integral part of the schedules.

CLEVELAND TOWNSHIP, WHITLEY COUNTY
NOTES TO SCHEDULES

Note 1. Introduction

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

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Township in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Township 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 Township to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Long-Term Debt

The Township has entered into debt for the construction of a new fire station building. The outstanding principal on the general obligation bonds at December 31, 2005, was \$475,000.

CLEVELAND TOWNSHIP, WHITLEY COUNTY
EXAMINATION RESULTS AND COMMENTS

TEMPORARY LOAN

A temporary loan of \$6,100 was made in December of 2003, from the Township Fund to the Library Fund and has not been repaid.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the Department of Local Government Finance."

INVESTMENT MATURITY LIMITATION

The Township purchased a certificate of deposit on January 31, 2005, with a stated maturity of January 31, 2010.

Indiana Code 5-13-9-5.6 states in part:

". . . investments made under this chapter must have a stated final maturity of not more than . . . (3) two (2) years . . . after the date of purchase or entry into a repurchase agreement."

CLEVELAND TOWNSHIP, WHITLEY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2006, with Roland King, Trustee. The official concurred with our findings.