

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

EXAMINATION REPORT  
OF  
TOWN OF LEO-CEDARVILLE  
ALLEN COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
11/27/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Pamela K. Spannuth	01-01-04 to 12-31-07
President of the Town Council	Janice Linn	01-01-04 to 12-31-06



**STATE OF INDIANA**  
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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 Town of Leo-Cedarville (Town), for the period of January 1, 2004 to December 31, 2005. 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 present fairly, in all material respects, the financial information of the Town 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

October 30, 2006

TOWN OF LEO-CEDARVILLE  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
<b>Governmental Funds:</b>				
General	\$ 111,479	\$ 941,734	\$ 773,830	\$ 279,383
Motor Vehicle Highway	271,781	164,986	240,644	196,123
Local Road and Street	54,154	35,563	141	89,576
Park and Recreation	55,661	51,362	39,962	67,061
Rainy Day	-	28,057	3	28,054
Donation	473	175	-	648
Cumulative Capital Improvement	29,086	10,381	10,000	29,467
Cumulative Capital Development	121,056	48,922	-	169,978
CEDIT	600,322	214,067	592,925	221,464
Cumulative Fire	14,352	26,786	-	41,138
Capital Projects	-	500,000	500,000	-
<b>Fiduciary Funds:</b>				
Grant Fund	45	-	45	-
Levy Excess	401	-	401	-
Payroll	-	18,592	18,592	-
<b>Totals</b>	<u>\$ 1,258,810</u>	<u>\$ 2,040,625</u>	<u>\$ 2,176,543</u>	<u>\$ 1,122,892</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
<b>Governmental Funds:</b>				
General	\$ 279,383	\$ 389,074	\$ 360,886	\$ 307,571
Motor Vehicle Highway	196,123	149,779	164,493	181,409
Local Road and Street	89,576	36,564	15,915	110,225
Park and Recreation	67,061	22,417	25,983	63,495
Rainy Day	28,054	75,000	6,600	96,454
Donation	648	8,021	1,176	7,493
Cumulative Capital Improvement	29,467	8,600	2,657	35,410
Cumulative Capital Development	169,978	38,368	450	207,896
CEDIT	221,464	204,491	261,812	164,143
Cumulative Fire	41,138	21,008	-	62,146
<b>Proprietary Fund:</b>				
Storm Water Utility - Operating	-	25,000	5,551	19,449
<b>Fiduciary Fund:</b>				
Payroll	-	18,672	18,672	-
<b>Totals</b>	<u>\$ 1,122,892</u>	<u>\$ 996,994</u>	<u>\$ 864,195</u>	<u>\$ 1,255,691</u>

The accompanying notes are an integral part of the schedules.

TOWN OF LEO-CEDARVILLE  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

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

Note 5. Deposits and Investments

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

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

Note 6. Long-Term Debt

The Town has entered into debts such as bonds for the Grabill Road Project and a loan for the purchase of a new office building. The outstanding principal at December 31, 2005, was \$342,000 and \$118,221, respectively.

TOWN OF LEO-CEDARVILLE  
EXIT CONFERENCE

The contents of this report were discussed on October 30, 2006, with Pamela K. Spannuth, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.