

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

EXAMINATION REPORT  
OF  
TOWN OF CLOVERDALE  
PUTNAM COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
05/16/2007



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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Patti Truax

01-01-04 to 12-31-07

President of the Town Council

John Davis  
Don Sublett

01-01-05 to 12-31-05  
01-01-06 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CLOVERDALE, PUTNAM COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Cloverdale (Town), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 23, 2007

TOWN OF CLOVERDALE  
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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
<b>Governmental Funds:</b>				
General	\$ 88,246	\$ 347,341	\$ 427,100	\$ 8,487
Motor Vehicle Highway	133,505	100,643	84,268	149,880
Local Road and Street	30,192	12,782	22,700	20,274
Park Donation	1,426	108	-	1,534
Law Enforcement Continuing Education	2,595	1,047	1,350	2,292
Riverboat	-	14,144	-	14,144
Rainy Day	2,504	17,850	-	20,354
Police Donation	4,549	3,850	4,646	3,753
Cumulative Capital Improvement	11,334	7,001	10,001	8,334
Cumulative Capital Development	55,467	19,596	-	75,063
County Economic Development Income Tax	48,847	35,978	19,313	65,512
DWI Grant	300	-	-	300
DARE	1,601	-	-	1,601
COPS Grant - Justice Program	13	-	-	13
Cloverdale Police Reserves	1,609	-	-	1,609
Cloverdale Canine Donation	619	200	-	819
Main Street Tree Planting Grant	2,284	-	2,283	1
TEA Grant	80	-	-	80
Criminal Investigation	2,862	-	1,154	1,708
Law Enforcement Block Grant	250	1	-	251
CEDIT Bond Fund	150,000	47	149,745	302
CSX Property Donation	-	4,800	4,800	-
CVFD Incident Receipts	-	1,750	-	1,750
CVFD Miscellaneous	-	130	130	-
<b>Proprietary Funds:</b>				
Water Utility - Operating	23,413	556,165	514,475	65,103
Water Utility - Bond and Interest	46,209	90,150	128,150	8,209
Water Utility - Depreciation	79,188	125,190	13,099	191,279
Water Utility - Meter Fund	17,139	10,685	11,916	15,908
Water Utility - Debt Service Reserve	95,163	-	-	95,163
Water Utility - Tap Fees	42,742	8,500	-	51,242
Wastewater Utility - Operating	60,739	439,543	444,534	55,748
Wastewater Utility - Bond and Interest	97,549	93,000	77,437	113,112
Wastewater Utility - Depreciation	33,815	63,063	58,667	38,211
Wastewater Utility - Tap Fees	100,020	5,000	60,000	45,020
Wastewater Utility - Construction	2,856	-	-	2,856
Wastewater Utility - Debt Service Reserve	27,662	18,728	-	46,390
<b>Fiduciary Fund:</b>				
Payroll	4,791	97,884	99,078	3,597
<b>Totals</b>	<u>\$ 1,169,569</u>	<u>\$ 2,075,176</u>	<u>\$ 2,134,846</u>	<u>\$ 1,109,899</u>

The accompanying notes are an integral part of the schedules.

TOWN OF CLOVERDALE  
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, 2005 And 2006  
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 8,487	\$ 535,535	\$ 420,062	\$ 123,960
Motor Vehicle Highway	149,880	115,851	125,796	139,935
Local Road and Street	20,274	12,494	14,152	18,616
Park Donation	1,534	10	-	1,544
Law Enforcement Continuing Education	2,292	1,144	1,418	2,018
Riverboat	14,144	14,115	-	28,259
Rainy Day	20,354	1,610	1,179	20,785
Police Donation	3,753	9,871	13,409	215
Fire Donation	-	1,050	922	128
Cumulative Capital Improvement	8,334	8,168	7,201	9,301
Cumulative Capital Development	75,063	34,450	1,722	107,791
County Economic Development Income Tax	65,512	38,566	27,315	76,763
Levy Excess	-	20,815	20,815	-
DWI Grant	300	-	-	300
DARE	1,601	-	-	1,601
COPS Grant - Justice Program	13	-	-	13
Cloverdale Police Reserves	1,609	-	1,609	-
Cloverdale Canine Donation	819	-	578	241
Main Street Tree Planting Grant	1	-	-	1
TEA Grant	80	-	-	80
Criminal Investigation	1,708	32	40	1,700
Law Enforcement Block Grant	251	2	-	253
CEDIT Bond Fund	302	-	-	302
CVFD Incident Receipts	1,750	1,350	1,403	1,697
CVFD Miscellaneous	-	195	195	-
Proprietary Funds:				
Water Utility - Operating	65,103	487,169	507,574	44,698
Water Utility - Bond and Interest	8,209	92,788	92,788	8,209
Water Utility - Depreciation	191,279	33,850	15,627	209,502
Water Utility - Customer Deposit	15,908	10,539	8,202	18,245
Water Utility - Construction	95,163	-	-	95,163
Water Utility - Improvement	51,242	6,500	-	57,742
Wastewater Utility - Operating	55,748	956,442	913,626	98,564
Wastewater Utility - Bond and Interest	113,112	46,620	82,367	77,365
Wastewater Utility - Depreciation	38,211	46,549	59,420	25,340
Wastewater Utility - Customer Deposit	45,020	4,000	45,020	4,000
Wastewater Utility - Construction	2,856	-	-	2,856
Wastewater Utility - Improvement	46,390	33,072	-	79,462
Fiduciary Fund:				
Payroll	3,597	104,147	103,078	4,666
Totals	<u>\$ 1,109,899</u>	<u>\$ 2,616,934</u>	<u>\$ 2,465,518</u>	<u>\$ 1,261,315</u>

The accompanying notes are an integral part of the schedules.

TOWN OF CLOVERDALE  
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. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

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

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

TOWN OF CLOVERDALE  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Town authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Town has entered into debt such as bonds for Water Utility improvements, Wastewater Utility improvements, a loan for fire equipment, and a lease for the Town Hall. The outstanding principal at December 31, 2006, was \$765,000, \$969,721, \$132,000, and \$546,561, respectively.

TOWN OF CLOVERDALE  
EXIT CONFERENCE

The contents of this report were discussed on April 23, 2007, with Patti Truax, Clerk-Treasurer; Don Sublett, President of the Town Council; and Judy Whitaker, Town Council member. Our examination disclosed no material items that warrant comment at this time.