

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, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Pamela K. Spannuth	01-01-04 to 12-31-11
President of the Town Council	Janice Linn	01-01-04 to 12-31-06
	John Clendenen	01-01-07 to 12-31-08



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, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

December 1, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 307,571	\$ 410,862	\$ 395,407	\$ 323,026
Motor Vehicle Highway	181,409	147,548	146,291	182,666
Local Road and Street	110,225	44,680	54,338	100,567
Park and Recreation	63,495	29,641	34,753	58,383
Rainy Day	96,454	-	39,087	57,367
Donation	7,493	1,229	698	8,024
Cumulative Capital Improvement	35,410	9,939	-	45,349
Cumulative Capital Development	207,896	31,302	35,736	203,462
CEDIT	164,143	234,175	191,020	207,298
Cumulative Fire	62,146	30,418	-	92,564
Proprietary Fund:				
Stormwater Utility - Operating	19,449	103,751	94,653	28,547
Fiduciary Fund:				
Payroll	-	31,753	31,753	-
Totals	<u>\$ 1,255,691</u>	<u>\$ 1,075,298</u>	<u>\$ 1,023,736</u>	<u>\$ 1,307,253</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 323,026	\$ 465,610	\$ 425,198	\$ 363,438
Motor Vehicle Highway	182,666	152,426	176,396	158,696
Local Road and Street	100,567	36,414	32,139	104,842
Park and Recreation	58,383	27,359	30,793	54,949
Rainy Day	57,367	1,098	6,471	51,994
Donation	8,024	47,617	52,716	2,925
Cumulative Capital Improvement	45,349	9,771	1,289	53,831
Cumulative Capital Development	203,462	40,274	122,915	120,821
CEDIT	207,298	234,093	141,277	300,114
Cumulative Fire	92,564	26,273	-	118,837
Proprietary Fund:				
Stormwater Utility - Operating	28,547	124,851	41,073	112,325
Fiduciary Fund:				
Payroll	-	42,664	42,664	-
Totals	<u>\$ 1,307,253</u>	<u>\$ 1,208,450</u>	<u>\$ 1,072,931</u>	<u>\$ 1,442,772</u>

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

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. 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 LEO-CEDARVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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	\$ 265,048
Infrastructure	9,012,389
Buildings	725,244
Improvements other than buildings	390,994
Machinery and equipment	<u>106,786</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 10,500,461</u>

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

TOWN OF LEO-CEDARVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
Revenue bonds:		
Economic Development Income Tax	<u>\$ 117,000</u>	<u>\$ 59,814</u>

TOWN OF LEO-CEDARVILLE
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2008, with Pamela K. Spanuth, Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.