

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

EXAMINATION REPORT  
OF  
CLEVELAND TOWNSHIP  
WHITLEY COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
04/26/2010



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information:	
Schedule of Long-Term Debt .....	6
Examination Results and Comments:	
Capital Asset Records .....	7
Transfers.....	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Roland D. King	01-01-07 to 12-31-10
Chairman of the Township Board	Thomas L. Warner Gary Hicks James R. Eberhart	01-01-08 to 12-31-08 01-01-09 to 12-31-09 01-01-10 to 12-31-10



**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 CLEVELAND TOWNSHIP, WHITLEY COUNTY, INDIANA

We have examined the financial information presented herein of Cleveland Township (Township), for the period of January 1, 2008 to December 31, 2009. The Township'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 Township 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 Long-Term Debt, 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

April 1, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
Township	\$ 221,213	\$ 124,171	\$ 79,879	\$ 265,505
Township Assistance	11,324	16,994	11,033	17,285
Firefighting	67,292	100,924	76,219	91,997
Park and Recreation	1,534	3,273	1,700	3,107
Horse Drawn Vehicles	-	2,660	2,625	35
Rainy Day	-	14,884	2,590	12,294
Fire Equipment Debt	818	56,029	56,269	578
Cumulative Fire Building and Equipment	95,424	38,203	1,314	132,313
Totals	<u>\$ 397,605</u>	<u>\$ 357,138</u>	<u>\$ 231,629</u>	<u>\$ 523,114</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Township	\$ 265,505	\$ 220,443	\$ 232,629	\$ 253,319
Township Assistance	17,285	24,878	16,243	25,920
Firefighting	91,997	111,456	86,678	116,775
Park and Recreation	3,107	4,199	2,700	4,606
Horse Drawn Vehicles	35	2,450	2,485	-
Rainy Day	12,294	37,361	-	49,655
Fire Equipment Debt	578	66,901	54,465	13,014
Cumulative Fire Building and Equipment	132,313	39,161	25,000	146,474
Totals	<u>\$ 523,114</u>	<u>\$ 506,849</u>	<u>\$ 420,200</u>	<u>\$ 609,763</u>

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

CLEVELAND TOWNSHIP, WHITLEY COUNTY  
NOTES TO FINANCIAL INFORMATION

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.

CLEVELAND TOWNSHIP, WHITLEY COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General obligation bonds:		
\$535,000 2002 Fire station construction	\$ 345,000	\$ 8,841

CLEVELAND TOWNSHIP, WHITLEY COUNTY  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

Capital asset records presented for examination did not include assets purchased during the examination period.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

TRANSFERS

The Township Fund transferred \$30,009 to the Firefighting Fund and \$11,940 to the Fire Equipment Debt Fund in 2009. No documentation was presented to support the purpose of the transfers.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

CLEVELAND TOWNSHIP, WHITLEY COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with Roland D. King, Trustee. The official concurred with our findings.