

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

EXAMINATION REPORT  
OF  
CLINTON COUNTY, INDIANA  
January 1, 2006 to December 31, 2006



**FILED**  
10/31/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Jacqueline R. Clements	08-26-04 to 12-31-10
Treasurer	Fran Reagan	01-01-05 to 12-31-08
Clerk	Laura Huffer	01-01-04 to 12-31-10
Sheriff	Mark Mitchell	01-01-05 to 12-31-10
Recorder	Vicki Ballard	01-01-06 to 12-31-09
President of the Board of County Commissioners	Wayne Williams Michael W. Conner	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the County Council	C. Steven Frey	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 CLINTON COUNTY, INDIANA

We have examined the financial information presented herein of Clinton County (County), for the period of January 1, 2006 to December 31, 2006. The County'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 County for the year ended December 31, 2006, 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

September 3, 2007

CLINTON COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
County General	\$ 1,791,451	\$ 12,289,909	\$ 11,303,154	\$ 2,778,206
Surveyor's Corner Perpetuation	44,698	7,830	9,591	42,937
Property Reassessment 2009	192,157	152,955	173,424	171,688
Recorder's Record Perpetuation	245,972	45,605	32,707	258,870
Wheel/Surtax County (LOHUT)	107,596	389,387	330,932	166,051
General Drain Improvement	246,785	141,492	12,107	376,170
Drainage Maintenance	752,077	378,937	339,357	791,657
Drainage Maintenance - McLaughlin	3,916	-	-	3,916
Identification Security	-	11,796	-	11,796
Innkeepers Tax	-	453	-	453
EMS Donations	53	-	-	53
County Home Donations	7,175	170	-	7,345
CCSO Chaplain Fund	326	-	-	326
Ident Donations	122	-	-	122
Superior Court Probation User Fees	114,525	37,933	101,443	51,015
Interstate Transfer Fee	-	75	75	-
Circuit Court Adult Probation User Fee	76,325	35,360	55,081	56,604
Circuit Court Juvenile Probation User Fee	44,193	13,051	3,525	53,719
Child Restraint	175	425	575	25
Indiana Supreme Court Foreign Language Grant	795	3,000	3,795	-
Infraction Judgments - Local	43	-	-	43
Project Income Fund	35,198	69,043	47,090	57,151
Community Corrections	12,847	88,137	88,598	12,386
Clerk IV-D Incentive Program	21,821	-	-	21,821
Supplemental Public Defender Service Fee	7,911	15,333	-	23,244
Clerk IV-D Incentive	26,302	10,615	2,842	34,075
Prosecuting Attorney IV-D Incentive Program	19,398	-	-	19,398
County User Fee Fund	135,886	4,980	-	140,866
Cumulative Courthouse Development Fund	759,106	252,906	193,829	818,183
Unsafe Building Fund	591	-	-	591
Clerk's Record Perpetuation	18,573	9,744	5,345	22,972
Prosecuting Attorney IV-D Incentive	31,727	13,471	-	45,198
County Highway	476,393	2,682,979	2,107,919	1,051,453
Local Road and Street	392,003	318,320	324,977	385,346
Cumulative Bridge	999,686	371,224	497,075	873,835
Board of Health	100,159	375,599	296,133	179,625
Office of Family and Children	3,701,561	1,422,048	1,632,885	3,490,724
Welfare Child Psychiatric Treatment	203,019	34,831	154,973	82,877
Solid Waste Payroll	4,920	98,243	60,060	43,103
Veterans' Monument Donation	100	61,316	8,720	52,696
Bioterrorism	-	9,481	14,269	(4,788)
Sheriff's Accident Copies	1,986	2,056	-	4,042
Sheriff's Firearms Training	35	5,510	1,306	4,239
Law Enforcement Education Fund	5,417	7,477	5,281	7,613

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

CLINTON COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006  
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds (continued):				
Clinton County Law Enforcement Fund	-	78,834	78,834	-
Clinton County Emergency Phone System	146,891	439,202	419,783	166,310
Wireless 911	46,416	98,951	-	145,367
Emergency Plan and Right To Know	30,324	6,272	13,937	22,659
County Sales Disclosure	4,845	4,465	-	9,310
Cumulative Capital Development	1,633,856	289,252	859,473	1,063,635
County Economic Development Income Tax	1,974,356	1,017,494	1,366,872	1,624,978
Tobacco Settlement Grant	30,961	38,751	48,271	21,441
Juvenile Alternatives Incentive Block Grant	1,604	15,298	22,489	(5,587)
Community Corrections JAIBG	15,297	-	15,297	-
Local Health Maintenance Fund	(500)	20,000	20,000	(500)
County Drug Free Communities	63,096	54,856	31,346	86,606
Step Ahead Grant	(47)	-	-	(47)
Traffic Safety Equipment	-	7,511	7,344	167
Indoor Seizurer Reward	71	-	-	71
Rainy Day Fund	578,966	-	-	578,966
County Misdemeanant Fund	43,399	22,666	45,515	20,550
Hospital Contractual Fund	5,164,350	3,791,548	3,329,230	5,626,668
Guardian Ad Litem	6,740	250	-	6,990
County Training	1,320	376	-	1,696
Resource Center Transportation	-	62,885	62,885	-
Landfill Tipping Fee Fund	25,663	83,139	-	108,802
Jefferson Planning Grant	-	18,622	18,622	-
Sheriff Pension Trust Funding	-	9,581	-	9,581
Courthouse Security Grant Fund	-	112,360	123,610	(11,250)
Plat Book	11,995	8,610	-	20,605
Sheriff's Commissary	25,866	153,419	151,138	28,147
Fiduciary Funds:				
Wheel Tax	215	40,214	38,647	1,782
Surtax	-	451,665	451,665	-
Dog Tax Surplus	108	2,360	1,655	813
Tax Sale Redemption	4,326	144,151	147,837	640
Tax Sale Surplus	675,566	197,738	606,511	266,793
Surplus Tax	175,042	49,092	161,955	62,179
Financial Institution Tax	-	134,327	134,327	-
Riverboat Fund	-	213,112	213,112	-
Local Option Certified Shares	-	3,840,815	3,840,815	-
Local Option Tax Replacement	-	1,278,524	1,278,524	-
CVET	-	459,318	459,318	-
Payroll Clearing Account	122,788	2,776,936	2,659,660	240,064
Coroner Continuing Education Fund	154	2,052	2,029	177
CEDIT Tax Distribution	1,132,525	1,269,209	1,247,764	1,153,970
CEDIT Inventory Tax Distribution	-	1,269,209	1,269,209	-

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

CLINTON COUNTY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006  
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Fiduciary Funds (continued):				
Tax Distribution	-	36,726,153	36,720,007	6,146
City and Town Court Cost	17,321	-	-	17,321
Superior Court Probation	-	86,064	11,390	74,674
Fines and Forfeitures	8,902	54,140	57,147	5,895
Infraction Judgments - State	5,185	73,931	71,789	7,327
Big Bond Fund	7,438	-	-	7,438
Family and Children Trust	8,405	20,919	21,458	7,866
Health Care for the Indigent	1,009	-	-	1,009
Medical Assistance to Wards	261	-	-	261
Children With Special Health Care Needs	160	-	-	160
Congressional School Principal	29,764	-	-	29,764
Congressional School Interest	7,285	-	1,786	5,499
Inheritance Tax	194,760	963,577	1,003,448	154,889
Sales Disclosure Fund	405	4,465	4,510	360
Education Plate Fee	-	3,094	3,056	38
Mortgage Fee Fund	380	4,861	4,948	293
Sheriff's Pension Trust	2,421,794	544,925	232,604	2,734,115
Sheriff's Benefit Plan	108,877	30,580	10,066	129,391
County Sheriff	20,031	2,208,680	2,069,647	159,064
Clerk of the Circuit Court	1,075,735	4,339,757	4,404,280	1,011,212
Sheriff's Inmate Trust	6,245	152,007	155,546	2,706
Sheriff's Work Release	31,658	118,581	106,978	43,261
County Recorder	14,372	162,789	163,988	13,173
County Treasurer	272,847	38,098,122	37,991,490	379,479
County Home	75,055	147,532	125,012	97,575
Superior Court Probation	3,485	42,650	42,265	3,870
Circuit Court Probation	1,604	50,276	48,545	3,335
Totals	<u>\$ 26,812,194</u>	<u>\$ 121,657,858</u>	<u>\$ 120,184,702</u>	<u>\$ 28,285,350</u>

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

CLINTON COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

Note 2. Fund Accounting

The County 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 County 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 County 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 County 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.

CLINTON COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

A. Public Employees' Retirement Fund

Plan Description

The County 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 District 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.

B. County Police Retirement Plan

Plan Description

The primary government contributes to the County Police Retirement Plan, which is a single-employer defined benefit pension plan. With the approval of the primary government's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the County Sheriff.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute. The primary government's annual pension cost and related information is determined by an actuary.

CLINTON COUNTY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

C. County Police Benefit Plan

Plan Description

The primary government contributes to the County Police Benefit Plan which is a single-employer defined benefit pension plan. With the approval of the primary government's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the County Sheriff.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute. The primary government's annual pension cost and related information is determined by an actuary.

CLINTON COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

CAPITAL LEASES

The County has entered into the following capital leases:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
County Jail Building	\$ 2,610,000	\$ 590,000
Sheriff's Cars (3)	33,550	33,550
Notes and loans payable	<u>1,700,064</u>	<u>422,601</u>
Total governmental activities long-term debt	<u>\$ 4,343,614</u>	<u>\$ 1,046,151</u>

CLINTON COUNTY  
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual County offices listed below:

County Auditor  
County Treasurer  
Clerk of the Circuit Court  
Parkview County Home

CLINTON COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 4, 2007, with Jacqueline R. Clements, Auditor; C. Steven Frey, President of the County Council; and Michael W. Conner, President of the Board of County Commissioners. Our examination disclosed no material items that warrant comment at this time.