

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

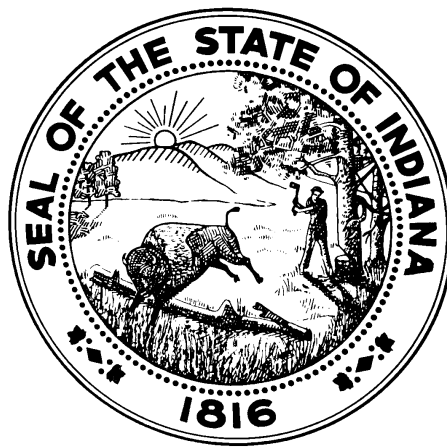
EXAMINATION REPORT

OF

CITY OF CLINTON

VERMILLION COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED
08/11/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kara Vorek	01-01-08 to 12-31-11
Mayor	Jerry Hawkins Vacant Arthur A. Lindsay, Jr.	01-01-08 to 07-07-08 07-08-08 to 08-03-08 08-04-08 to 12-31-11
President of the Board of Public Works	Jerry Hawkins Vacant Arthur A. Lindsay, Jr.	01-01-08 to 07-07-08 07-08-08 to 08-03-08 08-04-08 to 12-31-09
President of the Common Council	Roy Strayer Martin Shortridge	01-01-08 to 12-31-08 01-01-09 to 12-31-09
Superintendent of the Utilities	Vacant Cindy Yates	01-01-08 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF CLINTON, VERMILLION COUNTY, INDIANA

We have examined the financial information presented herein of the City of Clinton (City), for the period of January 1, 2008 to December 31, 2008. The City'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 City for the year ended December 31, 2008, 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

July 16, 2009

CITY OF CLINTON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2008

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ (68,400)	\$ 1,018,736	\$ 717,699	\$ 232,637
Motor Vehicle Highway	47,887	165,259	184,114	29,032
Local Road and Street	53,845	22,430	33,558	42,717
Park and Recreation	32,073	58,869	39,261	51,681
Golf	9,778	79,500	76,050	13,228
Cemetery	(45,895)	145,603	63,701	36,007
Little Italy Grand Prix	3	-	-	3
Senior Citizens	3,988	550	302	4,236
Court Law Enforcement Continuing Education	9,574	59,242	58,121	10,695
Riverboat	69,227	32,156	87,726	13,657
Rainy Day	11,111	12	-	11,123
Lilly Endowment	2,935	-	1,862	1,073
Police Continuing Education	2,729	3,461	1,770	4,420
Police Equipment	692	8,432	6,787	2,337
Operation Pullover	-	550	500	50
City Deferral	8,820	2,420	6,581	4,659
Feather Creek	23,883	262	-	24,145
Redevelopment	8,913	34	4,836	4,111
July 4th	-	3,975	-	3,975
Walnut Grove Chapel	-	1,164	-	1,164
Debt Service	39,014	71,454	72,002	38,466
General Obligation Bond	80,974	72,548	43,187	110,335
Cumulative Capital Improvement	27,606	16,670	20,000	24,276
Cumulative Capital Development	6,920	6,670	5,000	8,590
Cumulative Fire	24,901	17,114	31,877	10,138
Proprietary Funds:				
Water Utility - Operating	56,945	645,746	474,367	228,324
Water Utility - Bond and Interest	96,816	185,809	126,081	156,544
Water Utility - Depreciation	(1,999)	-	-	(1,999)
Water Utility - Customer Deposit	134,766	26,901	14,654	147,013
Water Utility - Debt Service Reserve	89,104	25,370	247	114,227
Wastewater Utility - Operating	56,842	958,126	762,808	252,160
Wastewater Utility - Bond and Interest	251,569	198,799	279,640	170,728
Wastewater Utility - Debt Service Reserve	101,220	112,505	369	213,356
Wastewater Utility - Equipment	59,058	-	58,253	805
Wastewater Utility - Improvement	99,542	-	75,000	24,542
Fiduciary Funds:				
Police Officers' Pension	113,449	97,843	85,745	125,547
Firefighters' Pension	60,962	47,943	39,931	68,974
Cemetery Trust Expendable	2,694	-	2,694	-
Cemetery Trust Nonexpendable	1,011	6,908	-	7,919
Lease Escrow	7,429	-	5,040	2,389
City Court	14,421	454,177	448,370	20,228
County Court Costs	-	48,802	48,802	-
Deferral Program	30	95,534	95,534	30
Payroll	15,785	1,121,881	1,127,070	10,596
Totals	<u>\$ 1,510,222</u>	<u>\$ 5,813,455</u>	<u>\$ 5,099,539</u>	<u>\$ 2,224,138</u>

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

CITY OF CLINTON
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, highway and streets, culture and recreation, planning and zoning, general administrative services, water and wastewater treatment.

Note 2. Fund Accounting

The City 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 City in June and December. State statute (Indiana Code 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.

CITY OF CLINTON
NOTES TO FINANCIAL INFORMATION
(Continued)

State statute (Indiana Code 5-13-9) authorizes the City 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. Pension Plan

Public Employees' Retirement Fund

Plan Description

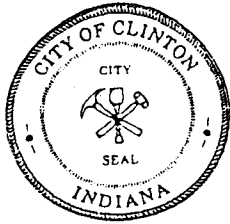
The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the City 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.



City of Clinton

City of Clinton

Office of Clerk-Treasurer
259 Vine Street
Clinton, IN 47842

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 408,580
Buildings	2,162,187
Machinery and equipment	<u>1,072,872</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,643,639</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 310,856
Improvements other than buildings	1,604,890
Machinery and equipment	<u>140,740</u>
Total Water Utility capital assets	<u>2,056,486</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 166,214
Improvements other than buildings	3,432,809
Machinery and equipment	<u>310,672</u>
Total Wastewater Utility capital assets	<u>3,909,695</u>
Total business-type activities capital assets	<u>\$ 5,966,181</u>



City of Clinton

City of Clinton

Office of Clerk-Treasurer
259 Vine Street
Clinton, IN 47842

CITY OF CLINTON
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2008

The City 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:		
2001 series (paving)	\$ 264,000	\$ 40,255
2006 series (miscellaneous equipment)	220,000	69,020
Total governmental activities debt	<u>\$ 484,000</u>	<u>\$ 109,275</u>
Business-type Activities:		
Water Utility		
Notes and loans:		
2004 State Revolving Fund Loan (improvements)	\$ 1,628,000	\$ 126,764
Wastewater Utility		
Capital leases:		
1998 street sweeper	6,096	6,270
Notes and loans:		
2000 State Revolving Fund Loan (improvements)	2,151,652	212,497
Total Wastewater Utility	<u>2,157,748</u>	<u>218,767</u>
Total business-type activities debt	<u>\$ 3,785,748</u>	<u>\$ 345,531</u>

CITY OF CLINTON
EXAMINATION RESULT AND COMMENT

OVERDRAWN CASH BALANCE (Water Utility)

The cash balance of the Water Depreciation Fund was overdrawn at December 31, 2008.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF CLINTON
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2009, with Kara Vorek, Clerk-Treasurer; Arthur A. Lindsay, Jr., Mayor; Marissa Stoffel, Deputy Clerk-Treasurer; and Richard Jovanovich, Sr., Common Council member. The officials concurred with our finding.