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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, 2009 to December 31, 2009



FILED
08/25/2010

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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	Arthur A. Lindsay, Jr.	08-04-08 to 12-31-11
President of the Board of Public Works	Arthur A. Lindsay, Jr.	01-01-09 to 12-31-10
President of the Common Council	Martin Shortridge Robert Lindsey	01-01-09 to 12-31-09 01-01-10 to 12-31-10
Superintendent of the Utilities	Cindy Yates	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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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, 2009 to December 31, 2009. 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, 2009, 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 a required part 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 13, 2010

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, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 232,637	\$ 876,326	\$ 836,007	\$ 272,956
Motor Vehicle Highway	29,032	205,854	153,988	80,898
Local Road and Street	42,717	46,270	3,048	85,939
Park and Recreation	51,681	38,411	26,322	63,770
Golf	13,228	75,015	75,589	12,654
Cemetery	36,007	94,604	115,207	15,404
Little Italy Grand Prix	3	-	-	3
Senior Citizens	4,236	-	-	4,236
Court Law Enforcement Continuing Education	10,695	58,134	57,043	11,786
Riverboat	13,657	66,511	74,710	5,458
Rainy Day	11,123	1	-	11,124
Lilly Endowment	1,073	-	1,073	-
Police Continuing Education	4,420	3,487	2,298	5,609
Police Equipment	2,337	6,312	6,501	2,148
Operation Pullover	50	2,481	2,196	335
City Deferral	4,659	1,320	2,358	3,621
Feather Creek	24,145	-	-	24,145
Redevelopment	4,111	68,790	5,692	67,209
July 4th	3,975	6,880	6,754	4,101
Walnut Grove Chapel	1,164	6,363	750	6,777
Unsafe Building	-	1,014	-	1,014
Debt Service	38,466	36,488	69,314	5,640
General Obligation Bond	110,335	69,998	33,965	146,368
Cumulative Capital Improvement	24,276	25,718	13,333	36,661
Cumulative Capital Development	8,590	11,394	-	19,984
Cumulative Fire	10,138	31,690	-	41,828
Proprietary Funds:				
Water Utility - Operating	228,324	609,379	484,952	352,751
Water Utility - Bond and Interest	156,544	140,950	125,803	171,691
Water Utility - Depreciation	(1,999)	1,999	-	-
Water Utility - Customer Deposit	147,013	23,600	11,115	159,498
Water Utility - Debt Service Reserve	114,227	21,520	86	135,661
Wastewater Utility - Operating	252,160	895,828	701,638	446,350
Wastewater Utility - Bond and Interest	170,728	227,771	212,740	185,759
Wastewater Utility - Debt Service Reserve	213,356	6,473	173	219,656
Wastewater Utility - Equipment	805	-	-	805
Wastewater Utility - Improvement	24,542	-	-	24,542
Fiduciary Funds:				
Police Officers' Pension	125,547	106,277	66,172	165,652
Firefighters' Pension	68,974	50,266	35,222	84,018
Cemetery Trust Nonexpendable	7,919	20,699	-	28,618
Lease Escrow	2,389	-	2,389	-
City Court	20,228	410,681	415,986	14,923
County Court Costs	-	44,012	44,012	-
Deferral Program	30	72,965	72,965	30
Payroll	10,596	1,100,147	1,097,218	13,525
Totals	<u>\$ 2,224,138</u>	<u>\$ 5,465,628</u>	<u>\$ 4,756,619</u>	<u>\$ 2,933,147</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, health and social services, culture and recreation, and general administrative services.

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 (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 City 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 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.

CITY OF CLINTON
NOTES TO FINANCIAL INFORMATION
(Continued)

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 (IC 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.

Note 7. Subsequent Event

In 2010, the City was awarded several grants. The total amount awarded was \$1,216,786. The largest of these awards was \$774,045 from the U.S. Department of Commerce for the construction of improvements to the wastewater collection system.



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

Kara Vorek
Clerk-Treasurer
259 Vine Street
Clinton, IN 47842

CITY OF CLINTON
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2009

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)	\$ 237,000	\$ 40,855
2006 series (miscellaneous equipment)	<u>160,000</u>	<u>66,380</u>
Total governmental activities debt	<u>\$ 397,000</u>	<u>\$ 107,235</u>
Business-type Activities:		
Water Utility		
Notes and loans:		
2004 State Revolving Fund Loan (improvements)	\$ 1,555,300	\$ 127,241
Wastewater Utility		
Notes and loans:		
2000 State Revolving Fund Loan (improvements)	<u>1,999,345</u>	<u>212,004</u>
Total Wastewater Utility	<u>1,999,345</u>	<u>212,004</u>
Total business-type activities debt	<u>\$ 3,554,645</u>	<u>\$ 339,245</u>

CITY OF CLINTON
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2010 with Robert Lindsey, President of the Common Council; Jay L. Rogers, Council member; Arthur A. Lindsay, Jr., Mayor; Kara Vorek, Clerk-Treasurer; and Marissa Stoffel, Deputy Clerk-Treasurer. Our examination disclosed no material items that warrant comment at this time.