

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

EXAMINATION REPORT  
OF  
CLINTON - CLINTON TOWNSHIP LIBRARY  
VERMILLION COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
12/10/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Karen Walker	01-01-08 to 12-31-10
Treasurer	Richard Bonness	01-01-08 to 12-31-10
President of the Board	Laura Savage	01-01-08 to 12-31-10



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CLINTON - CLINTON TOWNSHIP  
LIBRARY, VERMILLION COUNTY, INDIANA

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

September 29, 2010

CLINTON - CLINTON TOWNSHIP LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY 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
<b>Governmental Funds:</b>				
General	\$ 12,154	\$ 507,417	\$ 499,723	\$ 19,848
Gift	1,894	2,531	4,060	365
Faith and Values	56	-	49	7
Grants	2,100	2,100	2,100	2,100
Vermillion County Community Foundation Grant	250	-	165	85
Gates Training Grant	200	-	200	-
Giacoletto Foundation Grant	1,698	5,000	5,206	1,492
Debt Service	5,731	271,384	277,000	115
Improvement Reserve	30	-	-	30
<b>Fiduciary Funds:</b>				
Crawford	1,523	47	-	1,570
Stevenson	10,054	375	239	10,190
Brastaukas	1,767	7,148	8,857	58
Newport	96	51,944	1,740	50,300
PLAC	-	30	30	-
Payroll Withholdings	7,602	52,747	52,661	7,688
<b>Totals</b>	<u>\$ 45,155</u>	<u>\$ 900,723</u>	<u>\$ 852,030</u>	<u>\$ 93,848</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 19,848	\$ 561,805	\$ 453,874	\$ 127,779
Gift	365	4,071	3,825	611
Faith and Values	7	-	-	7
Grants	2,100	4,480	2,660	3,920
Vermillion County Community Foundation Grant	85	-	-	85
Giacoletto Foundation Grant	1,492	-	1,492	-
Debt Service	115	309,682	271,088	38,709
Improvement Reserve	30	-	-	30
<b>Fiduciary Funds:</b>				
Crawford	1,570	29	68	1,531
Stevenson	10,190	245	314	10,121
Brastaukas	58	84,426	-	84,484
Newport	50,300	1,249	1,328	50,221
PLAC	-	60	60	-
Payroll Withholdings	7,688	48,980	49,391	7,277
<b>Totals</b>	<u>\$ 93,848</u>	<u>\$ 1,015,027</u>	<u>\$ 784,100</u>	<u>\$ 324,775</u>

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

CLINTON - CLINTON TOWNSHIP LIBRARY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: culture and recreation and general administrative services.

Note 2. Fund Accounting

The Library 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 Library 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.

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 Library 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 - CLINTON TOWNSHIP LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library 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 Library 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 June 2008, the Library obtained a loan from First Financial Bank to be repaid from property tax revenues when they were distributed by the County, no later than December 31, 2008. On November 24, 2008, the loan was extended to June 30, 2009. The loan was extended two more times, subsequently, with the final due date being June 30, 2010.

On July 26, 2010, the Library Board authorized an interfund loan from debt service to operating of \$85,000 to be repaid by December 31, 2010.

The Library will convert their financial records to the Evergreen Indiana accounting system on October 21, 2010.

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

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Improvements and addition to building	\$ 575,000	\$ 108,500

CLINTON - CLINTON TOWNSHIP LIBRARY  
EXAMINATION RESULTS AND COMMENTS

DEPOSITS

Eighty-five percent of desk collections tested were deposited later than the next business day. A similar comment was included in the two prior reports.

IC 5-13-6-1 (c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

CAPITAL ASSET RECORDS

Capital asset records were not posted 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 in the 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 Libraries, Chapter 4)

CLINTON - CLINTON TOWNSHIP LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2010, with Karen Walker, Director, and Richard Bonness, Treasurer. The officials concurred with our findings.