

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF CLINTON

VERMILLION COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
11/15/2011

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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.	01-01-10 to 12-31-11
President of the Common Council	Robert Lindsey Jay L. Rogers	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of the Utilities	Cindy Yates	01-01-10 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statement of the City of Clinton (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statements. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City's management and the Common Council and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

September 15, 2011

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FINANCIAL STATEMENT

The financial statement and accompanying notes were prepared by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF CLINTON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 272,856	\$ 1,043,279	\$ 885,811	\$ 430,324
Motor Vehicle Highway	80,898	249,466	157,453	172,911
Local Road & Street	85,939	22,527	20,618	87,848
Park & Recreation	63,770	87,661	71,149	80,282
Cemetery	15,404	98,669	69,295	44,778
July 4Th	4,101	7,705	8,987	2,819
Local Law Enf Cont Ed	5,609	2,832	6,936	1,505
Court Deferral Program	30	79,936	79,936	30
Unsafe Building	1,014	1,225	-	2,239
Riverboat	5,458	32,079	8,118	29,419
Cemetery Non Expendable	28,618	20,240	-	48,858
Cops Grant	-	72,025	56,959	15,066
Walnut Grove Chapel Fund	6,777	12,355	1,730	17,402
Senior Citizens	4,236	-	625	3,611
Rainy Day	11,124	3,630	6,800	7,954
City Deferral	3,621	330	2,281	1,670
Levy Excess Fund	-	2,049	-	2,049
Court Law Enf Cont Ed	11,787	53,082	53,947	10,922
Operation Pull-Over	335	3,200	3,282	253
Police Reserve Fund	1,460	-	-	1,460
Little Italy Grand Prix	3	-	-	3
Golf	12,654	75,000	77,890	9,764
Prosecutor Deferral	-	10,000	7,500	2,500
Debt Service	5,640	67,928	66,514	7,054
Cum Cap Development	19,984	7,209	-	27,193
Redevelopment	67,209	93,320	17,331	143,198
Police Equipment	2,148	5,931	7,704	375
Paving Bond	146,369	45,732	36,431	155,670
Cumulative Fire	41,828	-	1,004	40,824
Cum Cap Imp - Cig Tax	36,661	29,674	47,536	18,799
Feather Creek	24,145	-	3,015	21,130
Police Pension	165,652	67,746	66,144	167,254
Fire Pension	84,017	36,780	35,410	85,387
City Court	14,923	454,647	450,285	19,285
Payroll	13,526	1,187,218	1,179,751	20,993
Sewage Utility Operating	446,350	888,941	647,864	687,427
Sewage Utl Bond & Int	185,759	197,039	212,949	169,849
Sewage Utl Capital Improvement	24,542	245,005	245,005	24,542
Sewage Utl Debt Service	219,656	28	3,397	216,287
Sewage Utl Equipment	805	-	-	805
Water Utility Operating	352,751	607,267	659,644	300,374
Water Utl Bond & Int	171,691	117,298	127,243	161,746
Water Utl Capital Improvement	-	270,095	239,190	30,905
Water Utl Meter Deposit	159,498	22,900	12,442	169,956
Water Utl Debt Service	135,661	18	7,115	128,564
Totals	<u>\$ 2,934,509</u>	<u>\$ 6,222,066</u>	<u>\$ 5,585,291</u>	<u>\$ 3,571,284</u>

The notes to the financial statement are an integral part of this statement.

CITY OF CLINTON
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF CLINTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF CLINTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF CLINTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 percent 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:

CITY OF CLINTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

CITY OF CLINTON
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

PERF 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

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was prepared and/or approved by management of the City. It is presented as intended by the City.

CITY OF CLINTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General Fund	Motor Vehicle Highway	Local Road & Street	Park & Recreation	Cemetery	July 4Th	Local Law Enf Cont Ed
Cash and investments - beginning	\$ 272,856	\$ 80,898	\$ 85,939	\$ 63,770	\$ 15,404	\$ 4,101	\$ 5,609
Receipts:							
Taxes	639,915	228,483	21,917	45,833	60,722	-	-
Licenses and permits	130	-	-	-	-	-	-
Intergovernmental	150,989	19,872	-	8,921	12,598	-	-
Charges for services	639	-	-	-	23,650	-	2,359
Fines and forfeits	78,604	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	173,002	1,111	610	32,907	1,699	7,705	473
Total receipts	<u>1,043,279</u>	<u>249,466</u>	<u>22,527</u>	<u>87,661</u>	<u>98,669</u>	<u>7,705</u>	<u>2,832</u>
Disbursements:							
Personal services	653,513	66,711	-	13,037	15,155	8,987	-
Supplies	50,137	14,418	15,621	3,063	1,780	-	-
Other services and charges	71,185	76,324	4,997	10,841	52,360	-	6,936
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	21,131	-	-	19,532	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	89,845	-	-	24,676	-	-	-
Total disbursements	<u>885,811</u>	<u>157,453</u>	<u>20,618</u>	<u>71,149</u>	<u>69,295</u>	<u>8,987</u>	<u>6,936</u>
Excess (deficiency) of receipts over disbursements	<u>157,468</u>	<u>92,013</u>	<u>1,909</u>	<u>16,512</u>	<u>29,374</u>	<u>(1,282)</u>	<u>(4,104)</u>
Cash and investments - ending	<u>\$ 430,324</u>	<u>\$ 172,911</u>	<u>\$ 87,848</u>	<u>\$ 80,282</u>	<u>\$ 44,778</u>	<u>\$ 2,819</u>	<u>\$ 1,505</u>

CITY OF CLINTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Court Deferral Program	Unsafe Building	Riverboat	Cemetery Non Expendable	Cops Grant	Walnut Grove Chapel Fund	Senior Citizens
Cash and investments - beginning	\$ 30	\$ 1,014	\$ 5,458	\$ 28,618	\$ -	\$ 6,777	\$ 4,236
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	32,079	-	-	-	-
Charges for services	-	-	-	-	-	12,355	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	79,936	1,225	-	20,240	72,025	-	-
Total receipts	79,936	1,225	32,079	20,240	72,025	12,355	-
Disbursements:							
Personal services	79,936	-	8,118	-	56,959	-	625
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	1,730	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	79,936	-	8,118	-	56,959	1,730	625
Excess (deficiency) of receipts over disbursements	-	1,225	23,961	20,240	15,066	10,625	(625)
Cash and investments - ending	\$ 30	\$ 2,239	\$ 29,419	\$ 48,858	\$ 15,066	\$ 17,402	\$ 3,611

CITY OF CLINTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Rainy Day	City Deferral	Levy Excess Fund	Court Law Enf Cont Ed	Operation Pull-Over	Police Reserve Fund	Little Italy Grand Prix
Cash and investments - beginning	\$ 11,124	\$ 3,621	\$ -	\$ 11,787	\$ 335	\$ 1,460	\$ 3
Receipts:							
Taxes	3,630	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	330	-	41,255	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	2,049	11,827	3,200	-	-
Total receipts	<u>3,630</u>	<u>330</u>	<u>2,049</u>	<u>53,082</u>	<u>3,200</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	6,800	-	-	53,947	3,282	-	-
Supplies	-	2,281	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>6,800</u>	<u>2,281</u>	<u>-</u>	<u>53,947</u>	<u>3,282</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,170)</u>	<u>(1,951)</u>	<u>2,049</u>	<u>(865)</u>	<u>(82)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 7,954</u>	<u>\$ 1,670</u>	<u>\$ 2,049</u>	<u>\$ 10,922</u>	<u>\$ 253</u>	<u>\$ 1,460</u>	<u>\$ 3</u>

CITY OF CLINTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Golf	Prosecutor Deferral	Debt Service	Cum Cap Development	Redevelopment	Police Equipment	Paving Bond
Cash and investments - beginning	\$ 12,654	\$ -	\$ 5,640	\$ 19,984	\$ 67,209	\$ 2,148	\$ 146,369
Receipts:							
Taxes	-	-	56,859	5,964	93,169	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	11,069	133	-	-	45,727
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	75,000	10,000	-	1,112	151	5,931	5
Total receipts	75,000	10,000	67,928	7,209	93,320	5,931	45,732
Disbursements:							
Personal services	46,777	7,500	-	-	-	-	-
Supplies	19,572	-	-	-	464	-	-
Other services and charges	11,432	-	66,514	-	16,867	7,704	36,431
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	109	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	77,890	7,500	66,514	-	17,331	7,704	36,431
Excess (deficiency) of receipts over disbursements	(2,890)	2,500	1,414	7,209	75,989	(1,773)	9,301
Cash and investments - ending	\$ 9,764	\$ 2,500	\$ 7,054	\$ 27,193	\$ 143,198	\$ 375	\$ 155,670

CITY OF CLINTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Fire	Cum Cap Imp - Cig Tax	Feather Creek	Police Pension	Fire Pension	City Court
Cash and investments - beginning	\$ 41,828	\$ 36,661	\$ 24,145	\$ 165,652	\$ 84,017	\$ 14,923
Receipts:						
Taxes	-	-	-	22,976	1,127	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	15,009	-	4,175	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	454,647
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	14,665	-	40,595	35,653	-
Total receipts	-	29,674	-	67,746	36,780	454,647
Disbursements:						
Personal services	-	-	-	66,144	35,410	-
Supplies	310	7,791	-	-	-	-
Other services and charges	-	39,745	3,015	-	-	450,285
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	694	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	1,004	47,536	3,015	66,144	35,410	450,285
Excess (deficiency) of receipts over disbursements	(1,004)	(17,862)	(3,015)	1,602	1,370	4,362
Cash and investments - ending	\$ 40,824	\$ 18,799	\$ 21,130	\$ 167,254	\$ 85,387	\$ 19,285

CITY OF CLINTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Payroll	Sewage Utility Operating	Sewage Utl Bond & Int	Sewage Utl Capital Improvement	Sewage Utl Debt Service	Sewage Utl Equipment
Cash and investments - beginning	\$ 13,526	\$ 446,350	\$ 185,759	\$ 24,542	\$ 219,656	\$ 805
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	857,023	-	-	-	-
Penalties	-	18,882	-	-	-	-
Other receipts	1,187,218	13,036	197,039	245,005	28	-
Total receipts	<u>1,187,218</u>	<u>888,941</u>	<u>197,039</u>	<u>245,005</u>	<u>28</u>	<u>-</u>
Disbursements:						
Personal services	476,660	-	-	-	-	-
Supplies	2,701	-	-	-	-	-
Other services and charges	8,196	-	-	-	-	-
Debt service - principal and interest	-	-	212,940	-	-	-
Capital outlay	680,020	17,978	-	-	-	-
Utility operating expenses	-	326,088	-	-	-	-
Other disbursements	12,174	303,798	9	245,005	3,397	-
Total disbursements	<u>1,179,751</u>	<u>647,864</u>	<u>212,949</u>	<u>245,005</u>	<u>3,397</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,467</u>	<u>241,077</u>	<u>(15,910)</u>	<u>-</u>	<u>(3,369)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 20,993</u>	<u>\$ 687,427</u>	<u>\$ 169,849</u>	<u>\$ 24,542</u>	<u>\$ 216,287</u>	<u>\$ 805</u>

CITY OF CLINTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Water Utility Operating	Water Utl Bond & Int	Water Utl Capital Improvement	Water Utl Meter Deposit	Water Utl Debt Service	Totals
Cash and investments - beginning	\$ 352,751	\$ 171,691	\$ -	\$ 159,498	\$ 135,661	\$ 2,934,509
Receipts:						
Taxes	-	-	-	-	-	1,180,595
Licenses and permits	-	-	-	-	-	130
Intergovernmental	-	-	-	-	-	300,572
Charges for services	-	-	-	-	-	39,003
Fines and forfeits	-	-	-	-	-	574,836
Utility fees	533,631	-	-	-	-	1,390,654
Penalties	11,245	-	-	-	-	30,127
Other receipts	62,391	117,298	270,095	22,900	18	2,706,149
Total receipts	<u>607,267</u>	<u>117,298</u>	<u>270,095</u>	<u>22,900</u>	<u>18</u>	<u>6,222,066</u>
Disbursements:						
Personal services	-	-	-	-	-	1,599,561
Supplies	-	-	-	-	-	118,138
Other services and charges	-	-	-	-	-	864,562
Debt service - principal and interest	-	127,243	-	-	-	340,183
Capital outlay	14,470	-	-	-	-	753,934
Utility operating expenses	247,319	-	-	12,442	-	585,849
Other disbursements	397,855	-	239,190	-	7,115	1,323,064
Total disbursements	<u>659,644</u>	<u>127,243</u>	<u>239,190</u>	<u>12,442</u>	<u>7,115</u>	<u>5,585,291</u>
Excess (deficiency) of receipts over disbursements	<u>(52,377)</u>	<u>(9,945)</u>	<u>30,905</u>	<u>10,458</u>	<u>(7,097)</u>	<u>636,775</u>
Cash and investments - ending	<u>\$ 300,374</u>	<u>\$ 161,746</u>	<u>\$ 30,905</u>	<u>\$ 169,956</u>	<u>\$ 128,564</u>	<u>\$ 3,571,284</u>



City of Clinton

Kara Vorek
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>1,115,386</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u><u>3,686,153</u></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><u>5,966,181</u></u>



City of Clinton

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CITY OF CLINTON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

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)	\$ 208,000	\$ 40,380
2006 series (miscellaneous equipment)	100,000	63,740
Total governmental activities debt	<u>\$ 308,000</u>	<u>\$ 104,120</u>
Business-type activities:		
Water Utility:		
Notes and loans:		
2004 State Revolving Fund Loan (improvements)	\$ 1,481,000	\$ 126,622
Wastewater Utility:		
Notes and loans:		
2000 State Revolving Fund Loan (improvements)	1,842,417	212,596
Total Wastewater Utility	<u>1,842,417</u>	<u>212,596</u>
Total business-type activities debt	<u>\$ 3,323,417</u>	<u>\$ 339,218</u>

CITY OF CLINTON
EXAMINATION RESULTS AND COMMENTS

RECEIPTS NOT DEPOSITED TIMELY (Applies to City Police Department)

Steffani Curry, City of Clinton Police Department Clerk/Dispatcher, is responsible for accepting payments from customers for accident reports, title checks, criminal history reports, gun permits, etc. She issues the customer a receipt and retains a duplicate copy. Once a week, a report of collections should be prepared and remitted to the Clerk-Treasurer along with the corresponding money. The Clerk-Treasurer is responsible for making the deposits.

A comparison of Police Department receipts, Police Department Report of Collections, and bank deposits revealed a large number of receipts totaling \$1,860.00 were not remitted timely to the Clerk-Treasurer for deposit during 2010 and 2011. The following table details the receipt amounts remitted by Steffani Curry since the beginning of the examination.

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Police Department Receipts Not Deposited:			
June 2010 to December 2010	\$ 717.00	\$ -	\$ 717.00
February 2011 to August 2011	<u>1,143.00</u>	<u>-</u>	<u>1,143.00</u>
Total Receipts Not Deposited	1,860.00	-	1,860.00
Paid by Steffani Curry, Police Department Clerk/Dispatcher to			
Clinton Clerk-Treasurer, August 18, 2011, Receipts 3805 to 3827	-	696.00	(696.00)
Clinton Clerk-Treasurer, August 26, 2011, Receipts 3900 to 3913	-	208.00	(208.00)
Clinton Clerk-Treasurer, August 29, 2011, Receipt 3928	-	694.00	(694.00)
Clinton Clerk-Treasurer, August 31, 2011, Receipt 3933	-	173.00	(173.00)
Unidentified Cash on Hand in Dispatcher's Cash Box,			
August 30, 2011, Receipt 3932	<u>-</u>	<u>89.00</u>	<u>(89.00)</u>
Totals	<u>\$ 1,860.00</u>	<u>\$ 1,860.00</u>	<u>\$ -</u>

As of the date of this report, all money has been remitted to the Clerk-Treasurer, deposited into the bank, and posted to the correct funds.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-13-6-1(d) states:

"A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories: (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

CITY OF CLINTON
EXAMINATION RESULTS AND COMMENTS
(Continued)

CUSTOMER DEPOSIT REGISTER (Applies to the Water Utility)

The detail of the customer deposit register does not reconcile to the customer deposit amount recorded on the general ledger at December 31, 2010.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OLD OUTSTANDING CHECKS (Applies to the Water Utility and Wastewater Utility)

Our review of the bank reconcilements as of December 31, 2010, revealed checks outstanding in excess of two years.

Indiana Code 5-11-10.5-2 states in part:

"All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

Indiana Code 5-11-10.5-3 states in part:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board of finance of the political subdivision or the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

CITY OF CLINTON
EXIT CONFERENCE

The contents of this report were discussed on September 7, 2011, with Steffani Curry, Police Department Clerk/Dispatcher.

The contents of this report were discussed on September 15, 2011, with Jay L. Rogers, President of the Common Council; Arthur A. Lindsay, Jr., Mayor; and Kara Vorek, Clerk-Treasurer.