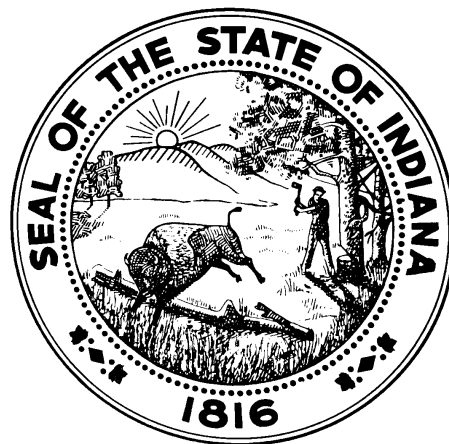


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT
OF
CLINTON/CLINTON TOWNSHIP LIBRARY
VERMILLION COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Karen Walker	01-01-06 to 12-31-08
Treasurer	Richard Auer Richard Bonness	01-01-06 to 12-31-07 01-01-08 to 12-31-08
President of the Board	Laura Savage	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of Clinton/Clinton Township Library (Library), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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

November 12, 2008

CLINTON/CLINTON TOWNSHIP PUBLIC 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,795	\$ 450,136	\$ 444,208	\$ 7,723
Gift	30,690	5,417	34,554	1,553
Children's Programming	1	75	75	1
Young Adult Programming	1	75	27	49
Adult Programming	2	-	-	2
BPW/CODA	9	-	-	9
Faith and Values	217	31	128	120
Large Print	126	300	419	7
Genealogy	30	91	70	51
Grants	-	3,600	1,200	2,400
Debt Service	57,693	234,227	241,112	50,808
Excess Levy	19,189	-	19,189	-
Improvement Reserve	30	-	-	30
Fiduciary Funds:				
Crawford	1,572	44	61	1,555
Stevenson	10,129	335	431	10,033
Brastaukas	89,906	3,670	2,098	91,478
Newport	50,178	1,847	1,739	50,286
PLAC	-	31	31	-
Payroll Withholdings	6,938	53,423	52,845	7,516
Totals	<u>\$ 268,506</u>	<u>\$ 753,302</u>	<u>\$ 798,187</u>	<u>\$ 223,621</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 7,723	\$ 563,250	\$ 558,819	\$ 12,154
Gift	1,553	5,708	5,367	1,894
Children's Programming	1	-	1	-
Young Adult Programming	49	-	49	-
Adult Programming	2	-	2	-
BPW/CODA	9	-	9	-
Faith and Values	120	-	64	56
Large Print	7	-	7	-
Genealogy	51	-	51	-
Grants	2,400	2,400	2,700	2,100
Vermillion County Community Foundation Grant	-	250	-	250
Gates Training Grant	-	200	-	200
Giacoletto Foundation Grant	-	5,000	3,302	1,698
Debt Service	50,808	366,957	412,034	5,731
Improvement Reserve	30	-	-	30
Fiduciary Funds:				
Crawford	1,555	57	89	1,523
Stevenson	10,033	405	384	10,054
Brastaukas	91,478	96,523	186,234	1,767
Newport	50,286	1,533	51,723	96
PLAC	-	30	30	-
Payroll Withholdings	7,516	53,396	53,310	7,602
Totals	<u>\$ 223,621</u>	<u>\$ 1,095,709</u>	<u>\$ 1,274,175</u>	<u>\$ 45,155</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 (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 Library 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 (Indiana Code 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 (Indiana Code 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

The Library had to obtain \$50,000 and \$200,000 tax anticipation loans due to the late distribution of local taxes.

CLINTON/CLINTON TOWNSHIP LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital lease:		
Improvements and addition to building	\$ 925,000	\$ 108,500

CLINTON/CLINTON TOWNSHIP LIBRARY
EXAMINATION RESULTS AND COMMENTS

DEPOSITS

As stated in prior Report B29073, in 75% of deposits tested, desk collection receipts were deposited later than the next business day.

Indiana Code 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."

OVERDRAWN CASH BALANCE

The Library's checking account was overdrawn at December 31, 2007.

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 Libraries, Chapter 4)

LOAN BETWEEN LIBRARY FUNDS

A temporary loan of \$50,000 was made in 2007 from the Newport Fund to the General Fund and not repaid by December 31, 2007. The loan was repaid in February 2008.

Indiana Code 36-1-8-4 concerning temporary loans states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs; (4) The amount transferred must be returned to the other fund at the end of the prescribed period . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
 - (A) A statement that the fiscal body has determined that an emergency exists.
 - (B) A brief description of the grounds for the emergency.
 - (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the state board of accounts and department of local government finance."

CLINTON/CLINTON TOWNSHIP LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2008, with Karen Walker, Director. The official concurred with our findings.