

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

EXAMINATION REPORT  
OF  
TOWN OF CRANDALL  
HARRISON COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
08/22/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Karen S. Engleman	01-20-04 to 12-31-11
President of the Town Council	Mark Neff	01-01-06 to 12-31-08



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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CRANDALL, HARRISON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Crandall (Town), for the period of January 1, 2006 to December 31, 2007. The Town'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 Town 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.

STATE BOARD OF ACCOUNTS

June 11, 2008

TOWN OF CRANDALL  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL 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	\$ 19,422	\$ 15,200	\$ 17,318	\$ 17,304
Motor Vehicle Highway	13,238	4,896	2,012	16,122
Local Road and Street	7,026	1,226	-	8,252
Riverboat	221,415	53,900	50,184	225,131
Cumulative Capital Improvement	1,808	468	-	2,276
Economic Development Income Tax	3,804	597	-	4,401
Totals	<u>\$ 266,713</u>	<u>\$ 76,287</u>	<u>\$ 69,514</u>	<u>\$ 273,486</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 17,304	\$ 18,714	\$ 17,960	\$ 18,058
Motor Vehicle Highway	16,122	3,908	1,973	18,057
Local Road and Street	8,252	1,217	-	9,469
Riverboat	225,131	52,991	42,437	235,685
Cumulative Capital Improvement	2,276	460	-	2,736
Economic Development Income Tax	4,401	545	-	4,946
Totals	<u>\$ 273,486</u>	<u>\$ 77,835</u>	<u>\$ 62,370</u>	<u>\$ 288,951</u>

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

TOWN OF CRANDALL  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, highways and streets, public improvements, and general administrative services.

Note 2. Fund Accounting

The Town 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 Town 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 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.

State statute (IC 5-13-9) authorizes the Town 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.

TOWN OF CRANDALL  
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The Town does not record capital asset additions or disposals, nor does the Town take an inventory of capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Some officials or employees of the Town had money due from the Town, but a list of such employees was not certified to the Harrison County Treasurer.

Indiana Code 6-1.1-22-14(a) states in part: "on or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

RAINY DAY FUND

The Town received supplemental distributions of CAGIT under Indiana Code 6-3.5-1.1-21.1 and recorded them in the General Fund. The Town has not established a Rainy Day Fund.

Public Law 267, Acts of 2003, changed the method of distributing CAGIT, COIT, and CEDIT revenue. Indiana Code 6-3.5-1.1-21.1, Indiana Code 6-3.5-6-17.3 and Indiana Code 6-3.5-7-17.3 state that if the Department of Revenue determines that an excess of the amounts required to make distributions of CAGIT, COIT or CEDIT exists, such excess shall be distributed in a supplemental distribution in January of the ensuing budget year. Any supplemental distributions received shall be deposited in the city or town's rainy day fund. (Cities and Towns Bulletin and Accounting and Uniform Compliance Guidelines, December 2003 - Page 4)

The fund should be established by ordinance and the ordinance should state the purposes and sources of funding for the fund (Indiana Code 36-1-8-5). (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 3)

TOWN OF CRANDALL  
EXIT CONFERENCE

The contents of this report were discussed on June 11, 2008, with Mark Neff, President of the Town Council, and Karen S. Engleman, Clerk-Treasurer. The officials concurred with our findings.