

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

EXAMINATION REPORT

OF

TOWN OF CROW'S NEST

MARION COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
10/15/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Gilbert S. Daniels, Ph.D. Lawrence O'Connor	01-01-04 to 12-18-06 12-18-06 to 12-31-11
President of the Town Council	Richard Wood	01-01-01 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CROW'S NEST, MARION COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Crow's Nest (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.

The 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

September 4, 2008

TOWN OF CROW'S NEST  
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	\$ 48,788	\$ 160,715	\$ 171,549	\$ 37,954
Motor Vehicle Highway	-	3,387	3,387	-
Local Road and Street	-	2,523	2,523	-
Riverboat	605	604	1,209	-
	<u>49,393</u>	<u>167,229</u>	<u>178,668</u>	<u>37,954</u>
Totals	<u>\$ 49,393</u>	<u>\$ 167,229</u>	<u>\$ 178,668</u>	<u>\$ 37,954</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 37,954	\$ 159,052	\$ 156,474	\$ 40,532
Motor Vehicle Highway	-	2,638	2,638	-
Local Road and Street	-	516	516	-
Riverboat	-	605	605	-
Cumulative Capital Improvement	-	92	92	-
Local Major Moves	-	652	652	-
ABC Fund	-	667	667	-
	<u>37,954</u>	<u>164,222</u>	<u>161,644</u>	<u>40,532</u>
Totals	<u>\$ 37,954</u>	<u>\$ 164,222</u>	<u>\$ 161,644</u>	<u>\$ 40,532</u>

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

TOWN OF CROW'S NEST  
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, 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).

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 CROW'S NEST  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 87,181	\$ 78,410
Total governmental activities debt	<u>\$ 87,181</u>	<u>\$ 78,410</u>

TOWN OF CROW'S NEST  
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use, Budget Report, Budget Estimate, Accounts Payable Voucher, Ledger of Receipts Disbursements and Balances, Ledger of Appropriations, Encumbrances, Disbursements and Balances, Clerk-Treasurer's Receipt, and Clerk's Warrant. A similar comment appeared in the four prior reports.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

The records presented for examination indicate that a budget was not approved by the Indiana Department of Local Government Finance for the years 2006 and 2007. The expenditures were processed without an approved appropriation. A similar comment appeared in four prior reports.

Indian Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OFFICIAL BOND

The official bond for the Clerk-Treasurer was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

PUBLIC WORKS PROJECT

The Town contracted with Delello and Son's Asphalt Paving in 2006 for the repair of streets. The total amount paid to Delello was \$18,486. There was no evidence presented for examination that quotes were solicited.

Indiana Code 36-1-12-5(i) states, in part: "Quotes for public works projects costing less than twenty-five thousand dollars (\$25,000) may be obtained by soliciting at least three (3) quotes by telephone or facsimile transmission. The seven (7) day waiting period required by subsection (b) (1) does not apply to quotes solicited under this subsection."

ANNUAL REPORT

An annual report for 2007 was not signed and submitted by the unit until May 2, 2008. General disbursements for the 2007 Annual Report, part 1 (\$94,717.34) did not agree to the total shown in part 3 (\$69,774.55).

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF CROW'S NEST  
EXIT CONFERENCE

The contents of this report were discussed on September 4, 2008, with Lawrence O'Connor, Clerk-Treasurer.