

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

EXAMINATION REPORT
OF
TOWN OF ENGLISH
CRAWFORD COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
12/29/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Wayne Carothers	01-01-08 to 12-31-11
President of the Town Council	Michael E. Benham	01-01-08 to 12-31-10
Town Manager	Michael Huddleston	01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF ENGLISH, CRAWFORD COUNTY, INDIANA

We have examined the financial information presented herein of the Town of English (Town), for the period of January 1, 2008 to December 31, 2009. 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, 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 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 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

November 22, 2010

TOWN OF ENGLISH
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments		Cash and Investments	
	01-01-08	Receipts	Disbursements	12-31-08
Governmental Funds:				
General	\$ 115,618	\$ 137,452	\$ 106,046	\$ 147,024
Motor Vehicle Highway	16,977	18,185	12,808	22,354
Local Road and Street	9,260	3,330	3,093	9,497
Park and Recreation	3,956	-	200	3,756
Law Enforcement Continuing Education	766	310	-	1,076
Riverboat	93,540	57,808	40,278	111,070
Rainy Day	4,809	2,793	-	7,602
Cemetery	44,184	2,602	689	46,097
Revolving Loan	72,909	302	-	73,211
Festival Fund	-	815	815	-
Relocation Project	16	-	-	16
Economic Development Income Tax	66,128	21,655	-	87,783
Cumulative Capital Development	23,275	8,295	-	31,570
Proprietary Funds:				
Water Utility - Operating	31,830	434,391	436,936	29,285
Water Utility - Bond and Interest	50,566	36,353	68,960	17,959
Water Utility - Depreciation	90,514	2,639	15,000	78,153
Water Utility - Customer Deposit	11,040	750	290	11,500
Water Utility - Construction	80,300	307,647	335,646	52,301
Water Utility - Debt Service Reserve	27,606	-	27,606	-
Wastewater Utility - Operating	15,321	199,909	198,097	17,133
Wastewater Utility - Bond and Interest	14,840	54,000	52,685	16,155
Wastewater Utility - Depreciation	142,337	20,461	18,450	144,348
Wastewater Utility - Customer Deposit	8,950	750	250	9,450
Wastewater Utility - Construction	52,344	841	9,884	43,301
Wastewater Utility - Improvement	65,059	6,631	-	71,690
Totals	\$ 1,042,145	\$ 1,317,919	\$ 1,327,733	\$ 1,032,331

	Cash and Investments		Cash and Investments	
	01-01-09	Receipts	Disbursements	12-31-09
Governmental Funds:				
General	\$ 147,024	\$ 354,058	\$ 283,536	\$ 217,546
Motor Vehicle Highway	22,354	17,998	11,801	28,551
Local Road and Street	9,497	3,435	2,460	10,472
Park and Recreation	3,756	-	51	3,705
Law Enforcement Continuing Education	1,076	345	-	1,421
Riverboat	111,070	58,232	42,472	126,830
Rainy Day	7,602	17,908	-	25,510
Cemetery	46,097	1,352	3,313	44,136
Revolving Loan	73,211	73	-	73,284
Relocation Project	16	-	-	16
Economic Development Income Tax	87,783	22,885	35,000	75,668
Cumulative Capital Development	31,570	5,148	25,000	11,718
Proprietary Funds:				
Water Utility - Operating	29,285	431,919	436,827	24,377
Water Utility - Bond and Interest	17,959	-	17,959	-
Water Utility - Depreciation	78,153	13,462	-	91,615
Water Utility - Customer Deposit	11,500	1,850	250	13,100
Water Utility - Construction	52,301	172,155	199,093	25,363
Wastewater Utility - Operating	17,133	201,296	199,943	18,486
Wastewater Utility - Bond and Interest	16,155	54,000	52,920	17,235
Wastewater Utility - Depreciation	144,348	19,329	29,954	133,723
Wastewater Utility - Customer Deposit	9,450	1,800	250	11,000
Wastewater Utility - Construction	43,301	528	10,000	33,829
Wastewater Utility - Improvement	71,690	6,064	20,000	57,754
Totals	\$ 1,032,331	\$ 1,383,837	\$ 1,370,829	\$ 1,045,339

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

TOWN OF ENGLISH
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, culture and recreation, planning and zoning, general administrative services, water, wastewater and urban redevelopment and housing.

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 ENGLISH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 25,234
Buildings	172,423
Improvements other than buildings	13,805
Machinery and equipment	<u>85,174</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 296,636</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 2,000
Buildings	76,485
Improvements other than buildings	1,935,228
Machinery and equipment	<u>172,101</u>
Total Water Utility capital assets	<u>2,185,814</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	26,900
Buildings	752,927
Improvements other than buildings	2,029,446
Machinery and equipment	<u>1,313,986</u>
Total Wastewater Utility capital assets	<u>4,123,259</u>
Total business-type activities, capital assets not being depreciated	<u>\$ 6,309,073</u>

TOWN OF ENGLISH
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
1994 Sewage works revenue bonds	\$ 758,000	\$ 53,110

TOWN OF ENGLISH
EXAMINATION RESULT AND COMMENT

OLD OUTSTANDING CHECKS (WARRANTS)

Our review of the bank reconcilements, as of December 1, 2009, revealed checks outstanding in excess of two years.

IC 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."

IC 5-11-10.5-3 states:

"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 (1) board of finance of the political subdivision; (2) 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."

IC 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."

TOWN OF ENGLISH
EXIT CONFERENCE

The contents of this report were discussed on November 22, 2010, with Michael E. Benham, President of the Town Council, and Wayne Carothers, Clerk-Treasurer.