

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CRANE

MARTIN COUNTY, INDIANA

January 1, 2012 to December 31, 2016



FILED
01/19/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Examination Results and Comments:	
Customer Deposit Register	6
Condition of Records.....	6
Bank Account Reconciliations.....	6
Exit Conference	7

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Linda Willoughby	01-01-12 to 12-31-18
President of the Town Council	Bernard Butcher Gordon Brinegar Dave Johnson	01-01-12 to 08-04-14 08-05-14 to 07-02-17 07-03-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE TOWN OF CRANE, MARTIN COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Crane (Town), for the period from January 1, 2012 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion on the Town's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

December 7, 2017

(This page intentionally left blank.)

CLERK-TREASURER
TOWN OF CRANE

CLERK-TREASURER
TOWN OF CRANE
EXAMINATION RESULTS AND COMMENTS

CUSTOMER DEPOSIT REGISTER

The same comment also appeared in prior Report B40275.

The detailed customer deposit register did not reconcile with the customer deposit amount recorded on the funds ledger for the Electric, Water, or Sewage Utilities as of December 31, 2016. The Electric customer deposit register balance was \$2,121 less than what was recorded on the funds ledger. The Water customer deposit register balance was \$4,514 less than what was recorded on the funds ledger. The Sewage customer deposit register balance was \$3,566 less than what was recorded on the funds ledger.

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 1)

CONDITION OF RECORDS

The same comment also appeared in prior Report B40275.

The Town maintained an individual funds ledger and a control ledger. The individual funds ledger was used in the Annual Financial Report and the control ledger was used in the monthly bank reconciliations. The individual funds ledger was not reconciled to the control ledger. The difference between the two ledgers at December 31, 2016, was \$16,236.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

BANK ACCOUNT RECONCILIATIONS

The same comment also appeared in prior Report B40275.

Depository reconciliations of the control ledger to the bank account balances were performed each month during the examination period; however, the reconciliations did not balance. At December 31, 2016, the reconciled bank account balance was \$8,076 short of the individual fund balances.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
TOWN OF CRANE
EXIT CONFERENCE

The contents of this report were discussed on December 7, 2017, with Linda Willoughby, Clerk-Treasurer, and Bernard Butcher, Town Council member.