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

Paul D. Joyce, CPA
State Examiner

SPECIAL COMPLIANCE REPORT

OF

TOWN OF CRANE

MARTIN COUNTY, INDIANA

August 1, 2023 to February 28, 2026



FILED
10/14/2026

TABLE OF CONTENTS

Description	Page
Transmittal Letter	2
Results and Comments:	
Background	3
Utility Accounts	3-8
Additional Examination Costs	8-9
Internal Controls	9
Exit Conference	10

INDIANA STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

Paul D. Joyce, CPA
State Examiner

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

This is a special compliance report for the Town of Crane (Town), for the period of August 1, 2023, to February 28, 2026, and is in addition to any other report for the Town as required under Indiana Code 5-11-1. All reports pertaining to the Town may be found at our website.

We performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts and were limited to records associated with utility billings and collections. The 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 Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce, CPA
State Examiner

May 12, 2026

BACKGROUND

In October 2025, the Indiana State Board of Accounts (SBOA) received a complaint regarding the financial activity of the Town. The complaint concerned cash collections, fund balances, and outstanding utility balances owed to the Town. The SBOA conducted an examination of the financial records of the Town, and the following describes noncompliance with statutes or the *Accounting and Uniform Compliance Guidelines Manual for Cities and Towns*.

UTILITY ACCOUNTS

Unpaid Utility Accounts

The SBOA began its examination of the Town's utility billing and collection records in October 2025. As described below, the utility accounts of the Clerk-Treasurer and members of the Town Council carried unpaid balances that increased significantly during the period examined, and payments on those accounts were made only after the SBOA had begun its examination. The Clerk-Treasurer did not enforce collections of unpaid balances as required.

In August 2023, Ashely Clark (A. Clark) was appointed as the Clerk-Treasurer of the Town. Jeff Clark (J. Clark), husband of A. Clark, was appointed to serve on the Town Council on November 4, 2022. Charles Parcels (Parcels) was appointed to serve on the Town Council on December 30, 2022. The Town operates municipally owned electric, water, internet, wastewater, trash, and stormwater utilities. Utility services are billed to customers monthly by the Clerk-Treasurer's office. The Clarks had a residence that received utility services from the Town. Parcels had a residence, garage, and rental property that received utility services from the Town. The SBOA determined the utilities account balances for properties owned by the Clarks and Parcels increased significantly from August 2023 to February 2026 as follows:

Elected Official/Date	Electric Balance Due	Water Balance Due	Internet Balance Due	Wastewater Balance Due	Trash Balance Due	Stormwater Balance Due	Total	Dollar Amount of Increase	Percentage of Increase
Clark:									
August 1, 2023	$ 179.93	$ 66.74	$ -	$ 68.92	$ 12.00	$ 6.00	$ 333.59		
February 1, 2026	2,999.41	957.09	824.45	1,033.22	384.00	150.00	6,348.17	6,014.58	1803%
Parcels Residence:									
August 1, 2023	250.85	41.53	-	43.24	12.00	6.00	353.62		
February 18, 2026	1,518.77	456.74	664.05	849.43	480.00	120.00	4,088.99	3,735.37	1056%
Parcels Garage:									
July 1, 2024	171.01	-	-	-	-	-	171.01		
February 19, 2026	2,522.25	-	-	-	-	-	2,522.25	2,351.24	1375%
Parcel Rental Property:									
August 1, 2023	130.34	68.36	-	70.56	12.00	6.00	287.26		
February 19, 2026	157.65	315.25	522.00	311.27	84.00	42.00	1,432.17	1,144.91	399%

Per a review of customer history reports, the SBOA was able to determine the Clarks had not made payments on their utility accounts from the December 1, 2024 billing through the May 1, 2025 billing. Parcels had not made payments on his residential account from the December 1, 2024 billing to the October 1, 2025 billing; Parcels had not made payments on his garage account from December 1, 2024 billing to January 1, 2025 billing; and Parcels had not made payments on his rental property account from the July 1, 2025 billing to the November 1, 2025 billing. These periods of nonpayment, together with other periods of nonpayment and partial payments, led to substantial increases in the balances due on these utility accounts.

The SBOA met with the Clarks on February 19, 2026, for a joint interview. The Clarks stated they were aware of the increase in their utility account balances and were discussing ways to pay off the balances. The SBOA was provided with a transaction detail report for the Clarks' residence, which showed the Clarks made a payment of $10,500 on June 5, 2026, to update the balance owed to $320.66 on June 5, 2026.

The SBOA was provided with an updated customer history report for Parcels' residence, which showed Parcels made a payment of $4,088.99 on February 27, 2026, to clear the balance owed at February 18, 2026.

The payments described above were made only after the SBOA had begun its examination of the Town's utility records.

- The SBOA received the complaint and began the investigation in October 2025.
- The SBOA interviewed the Clarks on February 19, 2026.
- Eight days after that interview, Parcels paid the balance owed on his residential account.
- The Clarks did not pay the balance owed on their account until June 5, 2026, more than three months after the interview, when a payment of $10,500 reduced the balance owed to $320.66.

At no time between August 2023 and the commencement of the SBOA's examination did A. Clark, as Clerk-Treasurer, take any action to collect the amounts owed on the account for her own residence or on the accounts of Parcels, a member of the Town Council, and the balances on those accounts increased significantly throughout that period.

Additionally, as of February 19, 2026, it was determined there were six commercial and multi-unit utility accounts that have a total combined balance owed to the Town of $50,518.54. A review of the account histories between August 1, 2023, and February 19, 2026, showed these balances have also increased significantly with minimal payments made on the accounts. According to the Indiana Secretary of State filings, these six commercial entities were all incorporated by the same individual. This individual was not a related party of either the Clarks or Parcels.

As Clerk-Treasurer, A. Clark oversees the financial activity of the Town and the utilities. As Clerk-Treasurer, A. Clark is responsible for the collection of amounts due to the Town. Through the SBOA's interview with A. Clark, no such action has been taken to collect the outstanding amounts due to the Town.

A. Clark provided an Aged Trial Balance (ATB) Report for examination that included the dollar amounts of the utility customer balances that were current, 30 days old, 60 days old, and 90 days and over. The ATB report provided by A. Clark was as of May 28, 2026. The SBOA determined the following from reviewing the report:

- There were a total of 122 accounts totaling $114,796.65.
- There were 21 accounts with balances exceeding $1,000.

- For the 21 accounts:
    - The total balance was $103,364.24, which represents 90 percent of the total balance of $114,796.65.
    - The balance that was outstanding for 90 or more days totaled $78,704.54.
    - There were 2 elected officials' accounts that totaled $12,509.68 or 12 percent of the total balance, with $7,285.95 or 9 percent of the total balance that was outstanding for 90 days or more.
    - There were 6 business owner accounts that totaled $59,122.33 or 57 percent of the total balance, with $50,780.90 or 62 percent of the total balance that was outstanding of 90 days or more.
    - Together, the 2 elected officials' accounts and 6 business owners' accounts made up 69 percent of the report balance.

The ATB report is dated prior to the Clarks' June 5, 2026 payment described above, and therefore, does not reflect that payment.

Penalties Not Applied to Unpaid Utility Accounts

A. Clark was not applying penalties to unpaid and delinquent utility account balances as stated on the utility bills and for the wastewater utility account balances as required by Indiana Code 36-9-23-31.

Monthly utility invoices mailed by the Clerk-Treasurer's office to the Town's utility customers contained language stating the following: "Bill due by the 15th, 10% late fee will be assessed." The SBOA reviewed the 4 elected officials' accounts and the 6 commercial and multi-unit accounts and determined that A. Clark did not apply the 10 percent penalty set forth in the invoice to missed or late payments subject to the penalty. Penalties were billed on only three billings, dated August 16, 2023, September 11, 2023, and September 16, 2025. Those penalties were billed only to the 6 commercial and multi-unit accounts and totaled $668.61; no penalties were billed to the 4 elected officials' accounts.

Additionally, A. Clark stated that service would be shut off after the 25th of the month if the utility bill was not paid. A. Clark stated that no shutoffs had occurred on past-due utility accounts. The shut-off provision described by A. Clark was not applied to the past-due accounts. The SBOA reviewed an invoice to the Clarks dated November 15, 2025, that stated: "Utilities will be disconnected if bill isn't paid by the 25th."

When requested by the SBOA, A. Clark was unable to produce an ordinance or resolution adopted by the Town Council authorizing the penalty or the shut-off provisions as set forth in the invoice. The penalty and shut-off provisions printed on the Town's utility invoices were therefore not supported by an ordinance or resolution and, to the extent they were in effect, were not applied. Furthermore, the penalties that should have been applied to the late wastewater utility account balances, addressed in Indiana Code 3.6-9-23-31, were not applied.

Wastewater Utility Liens Not Filed

A portion of the unpaid utility account balances consisted of the wastewater utility. For the ten utility accounts the SBOA reviewed, the total unpaid wastewater utility account balances were $553.63 and $10,559.13 as of August 2023 and February 2026, respectively. The amount of the fees would be included in the property tax bill mailed to the property owner by the County Treasurer for collection. A. Clark stated no liens had been filed or any other action to collect unpaid fees under her tenure as the Clerk-Treasurer.

Criteria

Indiana Code 36-5-6-6 states, in relevant part:

"(b) The clerk-treasurer shall do the following:

(1) Receive and care for all town money and pay the money out only on order of the town legislative body.

(2) Keep accounts showing when and from what sources the clerk-treasurer has received town money and when and to whom the clerk-treasurer has paid out town money.

(3) Prescribe payroll and account forms for all town offices.

(4) Prescribe the manner in which creditors, officers, and employees shall be paid.

(5) Manage the finances and accounts of the town and make investments of town money.

(6) Prepare for the legislative body the budget estimates of miscellaneous revenue, financial statements, and the proposed tax rate.

(7) Maintain custody of the town seal and the records of the legislative body.

(8) Issue all licenses authorized by statute and collect the fees fixed by ordinance."

Indiana Code 36-9-23-31 (Municipal Sewage Works) states:

"If fees assessed against real property under this chapter or any statute repealed by IC 19-2-5-30 (repealed September 1, 1981) are not paid within the time fixed by the municipal legislative body, they are delinquent. A penalty of ten percent (10%) of the amount of the fees attaches to the delinquent fees. The amount of the fee, the penalty, and a reasonable attorney's fee may be recovered by the board in a civil action in the name of the municipality."

Indiana Code 36-9-23-32 (Municipal Sewage Works) states, in relevant part:

"(a) Except as otherwise provided in a provision included in an ordinance under section 25(f)(3) of this chapter, fees assessed against real property under this chapter or under any statute repealed by IC 19-2-5-30 (repealed September 1, 1981) constitute a lien against the property assessed. The lien is superior to all other liens except tax liens. Except as provided in subsections (b) and (c), the lien attaches when notice of the lien is filed in the county recorder's office under section 33 of this chapter.

(b) A fee is not enforceable as a lien against a subsequent owner of property unless the lien for the fee was recorded with the county recorder before the conveyance to the subsequent owner. If the property is conveyed before the lien can be filed, the municipality shall notify the person who owned the property at the time the fee became payable. The notice must inform the person that payment, including penalty fees for delinquencies, is due not more than fifteen (15) days after the date of the notice. If payment is not received within one hundred eighty (180) days after the date of the notice, the amount due may be expensed as a bad debt loss."

Indiana Code 36-9-23-33 (Municipal Sewage Works) states, in relevant part:

"(b) An officer described in subsection (c) may defer enforcing the collection of unpaid fees and penalties assessed under this chapter until the unpaid fees and penalties have been due and unpaid for at least ninety (90) days. However, in the case of property that is occupied by someone other than the owner, this subsection does not relieve the utility of its duty under section 32(c) of this chapter to notify the owner not later than twenty (20) days after the time user fees become sixty (60) days delinquent.

(c) Except as provided in subsection (m), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

(1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

(A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.

(B) A description of the premises, as shown by the records of the county auditor.

(C) The amount of the delinquent fees, together with the penalty.

(2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.

(d) The officer shall record a copy of each list or each individual instrument with the county recorder who shall charge a fee for recording the list or each individual instrument in accordance with the fee schedule established in IC 36-2-7-10. The officer shall then mail to each property owner on the list or on an individual instrument a notice stating that a lien against the owner's property has been recorded. Except for a county having a consolidated city, a service charge of five dollars ($5), which is in addition to the recording fee charged under this subsection and under subsection (g), shall be added to each delinquent fee that is recorded."

Indiana Code 36-9-25-11.5 (Water Service) states, in relevant part:

"(b) If a fee established is not paid within the time fixed by the board, the board or its designee shall send notice to the delinquent
user stating:

(1) the delinquent amount due, together with any penalty;

(2) that water service may be disconnected if the user continues not to pay the delinquency and any penalty; and

(3) the procedure for resolving disputed bills.

The municipality shall provide by ordinance a procedure for resolving disputed bills that includes an opportunity for a delinquent user to meet informally with designated personnel empowered to correct incorrect charges. Payment of a disputed bill and penalties by a user does not constitute a waiver of rights to subsequently claim and recover from the municipality sums improperly charged to the user."

Audited entities have a responsibility to collect amounts owed to the audited entities pursuant to procedures authorized by law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1. 1.03. H)

Fees can only be collected as specifically authorized by law or properly authorized ordinance/resolution. When a fee is NOT specified by law, but instead by an ordinance/resolution, sufficient authoritative reference should be maintained. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1.1.03 V)

Each audited entity is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1 1.03 DD)

The governing body of an audited entity must have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balance. Documentation must exist for all efforts made by the audited entity to collect amounts owed prior to any write-offs. Write-offs or adjustments to records which are not documented or warranted may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1 1.04. B)

The SBOA recommended that the Clerk-Treasurer and the Town Council enact ordinances to address penalties and interest for late payments, procedures for collections of delinquent accounts, and ensure compliance with Indiana Codes that address penalties, interest, and collection procedures.

ADDITIONAL EXAMINATION COSTS

The State of Indiana incurred additional costs in the examination of the utility billings and collections of the Town.

Indiana Code 5-11-1-27(m) states in part:

"If the attorney general institutes civil proceedings related to this section or under IC 5-11-5-1, the attorney general shall seek, in addition to the recovery of any funds misappropriated, diverted, or unaccounted for, restitution of:

(1) costs incurred by the state board of accounts . . ."

Audit costs incurred because of theft and shortage may be the personal obligation of the responsible official or employee. Audit costs or other costs incurred because of poor records, nonexistent records or other inadequate bookkeeping practices may be the personal obligation of the responsible official or employee of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Extracurricular Accounts, Chapter 5)

The Town is responsible for reimbursing the State of Indiana $8,115.67 for the additional examination costs.

INTERNAL CONTROLS

Internal controls, including segregation of duties, have not been properly designed or implemented over the billing and collections of utility services provided to customers. There is not an evident review of customer utility account balances by anyone other than the Clerk-Treasurer. The lack of internal controls has allowed some utility account balances to increase significantly without penalties applied to the accounts, the accounts being shut off for nonpayment, or wastewater liens filed on properties for nonpayment. A properly designed internal control structure would provide prevention activities and monitoring of the billing and collections of utility services to prevent the allowance of unpaid utility accounts.

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

> "Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.
>
> An integral part of the control activity component is segregation of duties. . . .
>
> There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

TOWN OF CRANE
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2026, with Ashely Clark, Clerk-Treasurer; Jeff Clark, President of the Town Council; and Charles Parcels, Town Council member.