

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
BOSTON TOWNSHIP  
WAYNE COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
11/06/2006



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OFFICIALS

Office

Official

Term

Trustee

Patrick Stack

01-01-03 to 12-31-06

Chairman of the  
Township Board

Carole Robbins  
Jack Buckland

01-01-04 to 12-14-04  
12-15-04 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BOSTON TOWNSHIP, WAYNE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Boston Township (Township), for the period of January 1, 2004 to December 31, 2005. The Township's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Township for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 20, 2006

BOSTON TOWNSHIP, WAYNE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 28,852	\$ 8,667	\$ 9,653	\$ 27,866
Dog	364	51	78	337
Township Assistance	17,866	6,644	1,390	23,120
Firefighting	8,291	45,358	55,500	(1,851)
Rainy Day	-	1,600	-	1,600
Levy Excess	757	-	-	757
Cumulative Fire	<u>67,192</u>	<u>18,336</u>	<u>69,035</u>	<u>16,493</u>
Totals	<u>\$ 123,322</u>	<u>\$ 80,656</u>	<u>\$ 135,656</u>	<u>\$ 68,322</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 27,866	\$ 10,603	\$ 9,849	\$ 28,620
Dog	337	73	37	373
Township Assistance	23,120	7,147	710	29,557
Firefighting	(1,851)	62,570	36,056	24,663
Rainy Day	1,600	-	-	1,600
Levy Excess	757	-	-	757
Fire Equipment Debt	-	31,291	-	31,291
Cumulative Fire	<u>16,493</u>	<u>26,463</u>	<u>31,644</u>	<u>11,312</u>
Totals	<u>\$ 68,322</u>	<u>\$ 138,147</u>	<u>\$ 78,296</u>	<u>\$ 128,173</u>

The accompanying notes are an integral part of the schedules.

BOSTON TOWNSHIP, WAYNE COUNTY  
NOTES TO SCHEDULES

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township 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 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 Township 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 Township 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) authorizes the Township to invest in securities including but not limited to, federal governmental securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Long-Term Debt

The Township has entered into a loan for the purchase of a fire truck. The outstanding principal at December 31, 2005, was \$85,505.

BOSTON TOWNSHIP, WAYNE COUNTY  
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balance of the Firefighting Fund was overdrawn in 2004.

The cash balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

PAYROLL DEDUCTIONS

Payments to employees were made without payroll deductions for taxes, which may be required.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOSTON TOWNSHIP, WAYNE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

ADVANCE PAYMENTS

Payments to the Trustee for rent were made January 3, 2005, and July 22, 2005, for the year 2005. Salary payments to the Trustee were made at the beginning of the month.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

COMPENSATION AND BENEFITS

The Trustee received \$360 in payments for the year 2005 and \$254 in 2004, which were not included in the salary resolution. Patrick Stack, Trustee, reimbursed the Township by depositing into the Township Fund \$614 on September 20, 2006. (See Summary, page 9)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

FUND SOURCES AND USES

The Township applied for and was granted a tax rate to repay fire equipment debt in connection with the purchase of a fire truck in 2004,. Local tax distribution receipts were receipted to the Fire Equipment Debt Fund in 2005. However payments for the fire truck were made from the Cumulative Fire Fund in 2005.

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BOSTON TOWNSHIP, WAYNE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on September 20, 2006, with Patrick Stack, Trustee.

BOSTON TOWNSHIP, WAYNE COUNTY  
SUMMARY

	Charges	Credits	Balance Due
Patrick Stack, Trustee:			
Compensation and Benefits, page 7			
2004	\$ 360	\$	\$
2005	254		
Paid by Patrick Stack, September 20, 2006		614	-
Totals	\$ 614	\$ 614	\$ -