

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

EXAMINATION REPORT

OF

TOWN OF BOSTON

WAYNE COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/08/2008

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Carole Robbins

01-01-04 to 12-31-11

President of the
Town Council

Lawrence Brooks

01-01-06 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 BOSTON, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Boston (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 present 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 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

October 16, 2008

TOWN OF BOSTON
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND PROPRIETARY 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	\$ 11,581	\$ 4,886	\$ 9,025	\$ 7,442
Motor Vehicle Highway	24,975	6,573	6,560	24,988
Local Road and Street	15,888	1,421	-	17,309
Cumulative Capital Improvement	20,592	632	-	21,224
Cumulative Capital Improvement - Fire	1,223	-	-	1,223
Economic Development Income Tax	32,365	6,828	5,931	33,262
Rainy Day	1,118	-	-	1,118
Proprietary Funds:				
Wastewater Utility - Operating	43,534	36,768	36,835	43,467
Wastewater Utility - Bond and Interest	4,500	21,537	21,537	4,500
Wastewater Utility - Debt Reserve	22,800	-	-	22,800
Totals	<u>\$ 178,576</u>	<u>\$ 78,645</u>	<u>\$ 79,888</u>	<u>\$ 177,333</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 7,442	\$ 11,303	\$ 11,836	\$ 6,909
Motor Vehicle Highway	24,988	6,437	7,837	23,588
Local Road and Street	17,309	1,409	-	18,718
Cumulative Capital Improvement	21,224	622	-	21,846
Cumulative Capital Improvement - Fire	1,223	-	-	1,223
Economic Development Income Tax	33,262	6,539	6,064	33,737
Rainy Day	1,118	-	-	1,118
Proprietary Funds:				
Wastewater Utility - Operating	43,467	47,384	36,092	54,759
Wastewater Utility - Bond and Interest	4,500	21,542	21,042	5,000
Wastewater Utility - Debt Reserve	22,800	-	-	22,800
Totals	<u>\$ 177,333</u>	<u>\$ 95,236</u>	<u>\$ 82,871</u>	<u>\$ 189,698</u>

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

TOWN OF BOSTON
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, wastewater collection and treatment, 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). 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 BOSTON
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	\$ 713,790
 Total business-type activities capital assets	 <u>\$ 713,790</u>

TOWN OF BOSTON
 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
Business-type Activities:		
Wastewater Utility		
Revenue bonds:		
Sewage Works Refunding Revenue Bonds of 2006	\$ 192,000	\$ 21,507
Total Wastewater Utility	<u>192,000</u>	<u>21,507</u>
Total business-type activities debt:	<u>\$ 192,000</u>	<u>\$ 21,507</u>

TOWN OF BOSTON
EXAMINATION RESULTS AND COMMENTS

RESIDENCY REQUIREMENTS

Neither the current Clerk-Treasurer nor the current Council President resides within the Town.

Indiana Code 36-5-6-3 states: "(a) The clerk-treasurer must reside within the town as provided in Article 6, Section 6 of the Constitution of the State of Indiana. The clerk-treasurer forfeits office if the clerk-treasurer ceases to be a resident of the town."

Indiana Code 36-5-2-6 states: "(b) A member of the legislative body who is elected by the voters of a district forfeits office if the member ceases to be a resident of the district."

PAYROLL DEDUCTIONS

Payments were made to some employees without payroll deductions for taxes.

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 Cities and Towns, Chapter 7)

TOWN OF BOSTON
EXIT CONFERENCE

The contents of this report were discussed on October 16, 2008, with Carole Robbins, Clerk-Treasurer; and Joseph Buckler, member of the Town Council. The official response has been made a part of this report and may be found on pages 10 and 11.

**TOWN OF BOSTON, INDIANA
P. O. BOX 50
BOSTON, IN. 47324**

October 14, 2008

We, the Town Board of Boston are responding to the Residency Requirements of the Clerk-Treasurer. We have had several Clerk-Treasurers in the past few years and have not worked out for the position. We decided as a board to go out of the town to find a person we thought would be capable and willing to fill this position and that is our present Clerk-Treasurer, Carole Robbins. She is very capable of doing the job and is doing an excellent job.



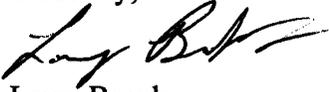
Larry Brooks,
Town Board President

TOWN OF BOSTON
Sewer Works
P. O. Box 50
Boston, IN. 47324

November 14, 2008

We, the Town of Boston are responding to the issue of Withholding Taxes (Social Security and Medicare) on our board members, Clerk Treasurer and Utility Clerk. We do not hold an election for our board members or Clerk. These members are appointed. Their salaries are only paid once a year and each member receives a 1099 on their wages. They turn these 1099's in on their personal taxes. We were never informed of this matter until the audit of the books.

Sincerely,



Larry Brooks
Town Board President