

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

EXAMINATION REPORT  
OF  
TOWN OF LITTLE YORK  
WASHINGTON COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
11/15/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Lois A. Gates	01-01-06 to 12-31-11
President of the Town Council	Scott L. Cole	01-01-07 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF LITTLE YORK, WASHINGTON COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Little York (Town), for the period of January 1, 2007 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

August 17, 2010

TOWN OF LITTLE YORK  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 7,542	\$ 969	\$ 1,977	\$ 6,534
Motor Vehicle Highway	18,275	6,704	4,650	20,329
Local Road and Street	8,814	1,330	152	9,992
Fire Building	30,964	-	1,141	29,823
Cumulative Capital Improvement	6,311	650	-	6,961
Riverboat	4,668	1,167	3,500	2,335
Totals	<u>\$ 76,574</u>	<u>\$ 10,820</u>	<u>\$ 11,420</u>	<u>\$ 75,974</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 6,534	\$ 1,767	\$ 1,717	\$ 6,584
Motor Vehicle Highway	20,329	5,038	13,893	11,474
Local Road and Street	9,992	1,228	5,000	6,220
Fire Building	29,823	-	-	29,823
Cumulative Capital Improvement	6,961	601	-	7,562
Riverboat	2,335	1,160	1,500	1,995
Totals	<u>\$ 75,974</u>	<u>\$ 9,794</u>	<u>\$ 22,110</u>	<u>\$ 63,658</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 6,584	\$ 2,888	\$ 1,856	\$ 7,616
Motor Vehicle Highway	11,474	4,939	1,800	14,613
Local Road and Street	6,220	1,151	-	7,371
Fire Building	29,823	-	-	29,823
Cumulative Capital Improvement	7,562	567	-	8,129
Riverboat	1,995	1,157	-	3,152
Totals	<u>\$ 63,658</u>	<u>\$ 10,702</u>	<u>\$ 3,656</u>	<u>\$ 70,704</u>

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

TOWN OF LITTLE YORK  
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, health and social services, 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 LITTLE YORK  
EXAMINATION RESULT AND COMMENT

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Town did not comply with directives of the Internal Revenue Service by not withholding Social Security and Medicare taxes from employees' salaries and not providing the matching share of those taxes from Town funds.

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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 Cities and Towns, Chapter 7)

TOWN OF LITTLE YORK  
EXIT CONFERENCE

The contents of this report were discussed on August 17, 2010, with Lois A. Gates, Clerk-Treasurer. The official concurred with our finding.