

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF BOSTON

WAYNE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
01/09/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Carole Robbins Dana North	01-01-10 to 09-30-12 10-01-12 to 12-31-15
President of the Town Council	Lawrence Brooks Jennifer Ramsey	01-01-10 to 08-31-12 09-01-12 to 12-31-12



**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 accompanying financial statements of the Town of Boston (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Council, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

November 15, 2012

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## FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

TOWN OF BOSTON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 1,990	\$ 25,507	\$ 21,471	\$ 6,026
Motor Vehicle Highway	22,680	4,692	1,711	25,661
Local Road And Street	17,041	1,225	-	18,266
Rainy Day	1,148	597	-	1,745
Dedicated Fire Fund	1,223	-	-	1,223
Cumulative Capital Improvement	22,714	519	6,000	17,233
Cedit Capital Projects	31,720	6,953	18,831	19,842
Wastewater Utility-Operating	74,518	43,792	36,826	81,484
Wastewater Utility-Bond And Interest	5,500	21,758	21,258	6,000
Wastewater Utility-Debt Reserve	22,800	-	-	22,800
Totals	<u>\$ 201,334</u>	<u>\$ 105,043</u>	<u>\$ 106,097</u>	<u>\$ 200,280</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BOSTON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 6,026	\$ 27,813	\$ 16,042	\$ 17,797
Motor Vehicle Highway	25,661	4,740	12,746	17,655
Local Road And Street	18,266	1,181	7,000	12,447
Rainy Day	1,745	-	-	1,745
Cumulative Capital Improvement	17,233	758	-	17,991
Cedit Capital Projects	19,842	5,908	4,900	20,850
Dedicated Fire Fund	1,223	-	-	1,223
Wastewater Utility-Operating	81,484	39,213	36,943	83,754
Wastewater Utility-Bond And Interest	6,000	22,073	21,573	6,500
Wastewater Utility-Debt Reserve	22,800	-	-	22,800
Totals	<u>\$ 200,280</u>	<u>\$ 101,686</u>	<u>\$ 99,204</u>	<u>\$ 202,762</u>

The notes to the financial statements are an integral part of this statement.

TOWN OF BOSTON  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, general administrative services, and wastewater utility.

The accompanying financial statements present the financial information for the Town.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax

TOWN OF BOSTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, ordinance violations, fines and fees.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, and transfers out that are authorized by statute, ordinance, resolution, or court order.

TOWN OF BOSTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*F. Interfund Transfers*

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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.

TOWN OF BOSTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

State statutes authorize 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.

**Note 5. Risk Management**

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF BOSTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	Rainy Day	Dedicated Fire Fund	Cumulative Capital Improvement
Cash and investments - beginning	\$ 1,990	\$ 22,680	\$ 17,041	\$ 1,148	\$ 1,223	\$ 22,714
Receipts:						
Taxes	2,221	-	-	-	-	-
Intergovernmental	2,286	4,692	1,225	597	-	519
Utility fees	-	-	-	-	-	-
Other receipts	21,000	-	-	-	-	-
Total receipts	<u>25,507</u>	<u>4,692</u>	<u>1,225</u>	<u>597</u>	<u>-</u>	<u>519</u>
Disbursements:						
Personal services	4,000	-	-	-	-	-
Supplies	294	-	-	-	-	-
Other services and charges	6,906	1,711	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	10,271	-	-	-	-	6,000
Total disbursements	<u>21,471</u>	<u>1,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Excess (deficiency) of receipts over disbursements	<u>4,036</u>	<u>2,981</u>	<u>1,225</u>	<u>597</u>	<u>-</u>	<u>(5,481)</u>
Cash and investments - ending	<u>\$ 6,026</u>	<u>\$ 25,661</u>	<u>\$ 18,266</u>	<u>\$ 1,745</u>	<u>\$ 1,223</u>	<u>\$ 17,233</u>

TOWN OF BOSTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Cedit Capital Projects	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility Debt Reserve	Totals
Cash and investments - beginning	\$ 31,720	\$ 74,518	\$ 5,500	\$ 22,800	\$ 201,334
Receipts:					
Taxes	-	-	-	-	2,221
Intergovernmental	6,953	-	-	-	16,272
Utility fees	-	43,790	-	-	43,790
Other receipts	-	2	21,758	-	42,760
Total receipts	<u>6,953</u>	<u>43,792</u>	<u>21,758</u>	<u>-</u>	<u>105,043</u>
Disbursements:					
Personal services	-	-	-	-	4,000
Supplies	-	-	-	-	294
Other services and charges	18,831	-	-	-	27,448
Utility operating expenses	-	13,488	-	-	13,488
Other disbursements	-	23,338	21,258	-	60,867
Total disbursements	<u>18,831</u>	<u>36,826</u>	<u>21,258</u>	<u>-</u>	<u>106,097</u>
Excess (deficiency) of receipts over disbursements	<u>(11,878)</u>	<u>6,966</u>	<u>500</u>	<u>-</u>	<u>(1,054)</u>
Cash and investments - ending	<u>\$ 19,842</u>	<u>\$ 81,484</u>	<u>\$ 6,000</u>	<u>\$ 22,800</u>	<u>\$ 200,280</u>

TOWN OF BOSTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Rainy Day	Cumulative Capital Improvement	Cedit Capital Projects
Cash and investments - beginning	\$ 6,026	\$ 25,661	\$ 18,266	\$ 1,745	\$ 17,233	\$ 19,842
Receipts:						
Taxes	2,248	-	-	-	-	-
Intergovernmental	2,460	4,740	1,181	-	508	5,908
Utility fees	-	-	-	-	-	-
Other receipts	23,105	-	-	-	250	-
Total receipts	<u>27,813</u>	<u>4,740</u>	<u>1,181</u>	<u>-</u>	<u>758</u>	<u>5,908</u>
Disbursements:						
Personal services	4,175	-	-	-	-	-
Supplies	41	-	-	-	-	-
Other services and charges	6,860	1,746	-	-	-	4,900
Utility operating expenses	-	-	-	-	-	-
Other disbursements	4,966	11,000	7,000	-	-	-
Total disbursements	<u>16,042</u>	<u>12,746</u>	<u>7,000</u>	<u>-</u>	<u>-</u>	<u>4,900</u>
Excess (deficiency) of receipts over disbursements	<u>11,771</u>	<u>(8,006)</u>	<u>(5,819)</u>	<u>-</u>	<u>758</u>	<u>1,008</u>
Cash and investments - ending	<u>\$ 17,797</u>	<u>\$ 17,655</u>	<u>\$ 12,447</u>	<u>\$ 1,745</u>	<u>\$ 17,991</u>	<u>\$ 20,850</u>

TOWN OF BOSTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Dedicated Fire Fund	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility Debt Reserve	Totals
Cash and investments - beginning	\$ 1,223	\$ 81,484	\$ 6,000	\$ 22,800	\$ 200,280
Receipts:					
Taxes	-	-	-	-	2,248
Intergovernmental	-	-	-	-	14,797
Utility fees	-	39,165	-	-	39,165
Other receipts	-	48	22,073	-	45,476
Total receipts	-	39,213	22,073	-	101,686
Disbursements:					
Personal services	-	-	-	-	4,175
Supplies	-	-	-	-	41
Other services and charges	-	-	-	-	13,506
Utility operating expenses	-	14,870	-	-	14,870
Other disbursements	-	22,073	21,573	-	66,612
Total disbursements	-	36,943	21,573	-	99,204
Excess (deficiency) of receipts over disbursements	-	2,270	500	-	2,482
Cash and investments - ending	\$ 1,223	\$ 83,754	\$ 6,500	\$ 22,800	\$ 202,762

TOWN OF BOSTON  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 27,813	\$ 16,041
Wastewater	39,212	14,870
Totals	\$ 67,025	\$ 30,911

TOWN OF BOSTON  
 SCHEDULE OF DEBT  
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
General obligation bonds	Sewer	\$ 148,000	\$ 21,810
Totals		<u>\$ 148,000</u>	<u>\$ 21,810</u>

TOWN OF BOSTON  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2011

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.

	Ending Balance
Governmental activities:	
Infrastructure	\$ 150,000
Buildings	300,000
Total governmental activities	450,000
Wastewater:	
Infrastructure	713,790
Total capital assets	\$ 1,163,790

TOWN OF BOSTON  
EXAMINATION RESULTS AND COMMENTS

**OFFICIAL BOND**

The official bond for the Clerk-Treasurer has not been filed in the Office of the County Recorder for 2012.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

**TRANSACTION RECORDING**

Some items, such as transfers from the Wastewater Operating Fund to the Wastewater Bond and Interest Fund, were not entered in the records as disbursements in the Wastewater Operating Fund.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**PAYROLL DEDUCTIONS**

As noted in the prior two reports, B33407 and B37844 and during the current examination period, payments were made to the Clerk-Treasurer and Town Board members 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)

**COMPENSATION AND BENEFITS**

Compensation paid to the Clerk-Treasurer and Town Board members were not included in the payroll system or on the salary ordinance or resolution.

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 Cities and Towns, Chapter 7)

**ORDINANCES AND RESOLUTIONS**

The rate ordinance (Ordinance 1996-3) states in part: ". . . all rates and charges not paid by the fifteenth day of the month following receipt are hereby declared to be delinquent and a penalty of ten percent (10%) of the amount of the rates and charges shall be thereupon attach to the delinquent rates and charges." The Clerk-Treasurer does not assess a penalty if customers pay by the last day of the month rather than the fifteenth day of the month.

TOWN OF BOSTON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***INTEREST ON INVESTMENTS/PREScribed FORMS***

Interest earned on some investments was automatically added to the principal and not recorded in the records.

The Clerk-Treasurer is not using the register of investments, Form 350, to record investment activity.

Interest on investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***BANK ACCOUNT RECONCILIATIONS***

Depository reconciliations of the fund balances to the bank account balances were incorrect. Interest earned on investments and savings accounts was not posted to the fund ledger. Reconcilements for the wastewater utility funds were not presented for examination.

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 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 7)

***OPTICAL IMAGES OF WARRANTS***

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks.

Indiana Code 5-15-6-3 concerning optical imaging of checks states in part:

"(a) . . . 'original records' . . . includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . ."

TOWN OF BOSTON  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Further, Indiana Code 26-2-8-111 states, in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

***RESIDENCY REQUIREMENTS***

Neither the Clerk-Treasurer nor the Board 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."

The Clerk-Treasurer and the Board President subsequently resigned. A new Clerk-Treasurer and Board President were appointed in 2012.

TOWN OF BOSTON  
EXIT CONFERENCE

The contents of this report were discussed on November 15, 2012, with Carole Robbins, former Clerk-Treasurer; Dana North, Clerk-Treasurer; and Jennifer Ramsey, President of the Town Council. The officials concurred with our findings.