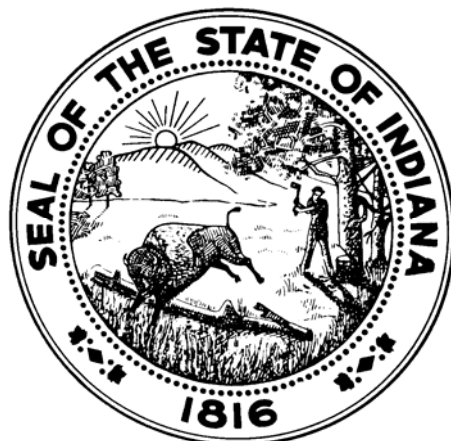


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
TOWN OF YEOMAN
CARROLL COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/19/06

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Peggy L. Braden

01-01-03 to 12-31-08

President of the Town Council

Shirley A. Larson

01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF YEOMAN, CARROLL COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Yeoman (Town), for the period of January 1, 2003 to December 31, 2005. The Town'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 Town for the years ended December 31, 2003, 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

June 6, 2006

TOWN OF YEOMAN
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 93,215	\$ 17,014	\$ 50,937	\$ 59,292
Motor Vehicle Highway	7,444	2,875	-	10,319
Local Road and Street	7,918	567	675	7,810
Park and Recreation	-	300	-	300
Cumulative Capital Improvement	3,989	347	2,000	2,336
County Economic Development Income Tax	3,850	442	-	4,292
Totals	<u>\$ 116,416</u>	<u>\$ 21,545</u>	<u>\$ 53,612</u>	<u>\$ 84,349</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 59,292	\$ 29,744	\$ 33,612	\$ 55,424
Motor Vehicle Highway	10,319	2,997	-	13,316
Local Road and Street	7,810	587	237	8,160
Park and Recreation	300	-	-	300
Rainy Day	-	859	-	859
Housing Grant	-	20,000	20,000	-
Building Donation	-	17,135	-	17,135
Cumulative Capital Improvement	2,336	358	-	2,694
County Economic Development Income Tax	4,292	518	-	4,810
Totals	<u>\$ 84,349</u>	<u>\$ 72,198</u>	<u>\$ 53,849</u>	<u>\$ 102,698</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 55,424	\$ 23,816	\$ 20,997	\$ 58,243
Motor Vehicle Highway	13,316	2,930	10,000	6,246
Local Road and Street	8,160	583	-	8,743
Park and Recreation	300	-	-	300
Rainy Day	859	605	-	1,464
Building Donation	17,135	11,554	-	28,689
Levy Excess	-	531	-	531
Cumulative Capital Improvement	2,694	297	-	2,991
County Economic Development Income Tax	4,810	410	-	5,220
Totals	<u>\$ 102,698</u>	<u>\$ 40,726</u>	<u>\$ 30,997</u>	<u>\$ 112,427</u>

The accompanying notes are an integral part of the schedules.

TOWN OF YEOMAN
NOTES TO SCHEDULES

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, culture and recreation, 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 YEOMAN
EXAMINATION RESULTS AND COMMENTS

SALES TAX

Sales tax was paid on some purchases.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective vendors should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
General	2003	<u>\$ 14,887</u>

Indiana Code 6-1.1-18-4 states in part: "...the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article.

LOAN BETWEEN TOWN FUNDS

A temporary loan of \$10,000 was made in 2005 from the Motor Vehicle Highway Fund to the General Fund and not repaid by June 5, 2006.

Indiana Code 36-1-8-4 concerning temporary loans states, in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs; (4) The amount transferred must be returned to the other fund at the end of the prescribed period . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
 - a. A statement that the fiscal body has determined that an emergency exists.
 - b. A brief description of the grounds for the emergency.
 - c. The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the state board of accounts and department of local government finance."

TOWN OF YEOMAN
EXIT CONFERENCE

The contents of this report were discussed on June 6, 2006, with Peggy L. Braden, Clerk-Treasurer; and Shirley A. Larson, President of the Town Council. The officials concurred with our findings.