

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

EXAMINATION REPORT

OF

TOWN OF BOSTON

WAYNE COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED

09/26/2006

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Carole Robbins

01-01-04 to 12-31-07

President of the Town Council

Lawrence Brooks

01-01-04 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 BOSTON, WAYNE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Boston (Town), for the period of January 1, 2004 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, 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

August 23, 2006

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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 2,216	\$ 17,458	\$ 9,555	\$ 10,119
Motor Vehicle Highway	36,661	5,603	16,153	26,111
Local Road and Street	17,012	1,495	4,099	14,408
Rainy Day	-	1,266	148	1,118
Cumulative Capital Improvement	19,537	660	-	20,197
Cumulative Building and Firefighting Equipment	1,223	-	-	1,223
Economic Development Income Tax	27,457	3,108	-	30,565
Proprietary Funds:				
Wastewater Utility - Operating	75,173	31,409	69,503	37,079
Wastewater Utility - Bond and Interest	-	10,606	6,606	4,000
Wastewater Utility - Debt Reserve	-	22,800	-	22,800
Totals	<u>\$ 179,279</u>	<u>\$ 94,405</u>	<u>\$ 106,064</u>	<u>\$ 167,620</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 10,119	\$ 11,731	\$ 10,269	\$ 11,581
Motor Vehicle Highway	26,111	5,476	6,612	24,975
Local Road and Street	14,408	1,480	-	15,888
Rainy Day	1,118	-	-	1,118
Cumulative Capital Improvement	20,197	547	152	20,592
Cumulative Building and Firefighting Equipment	1,223	-	-	1,223
Economic Development Income Tax	30,565	5,904	4,104	32,365
Proprietary Funds:				
Wastewater Utility - Operating	37,079	50,173	43,718	43,534
Wastewater Utility - Bond and Interest	4,000	21,497	20,997	4,500
Wastewater Utility - Debt Reserve	22,800	-	-	22,800
Totals	<u>\$ 167,620</u>	<u>\$ 96,808</u>	<u>\$ 85,852</u>	<u>\$ 178,576</u>

The accompanying notes are an integral part of the schedules.

TOWN OF BOSTON
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, 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. Rate Structure – Enterprise Fund

The current rate structure was approved by the Town Council on August 5, 1996.

Note 6. 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
EXAMINATION RESULT AND COMMENT

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."

TOWN OF BOSTON
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2006, with Carole Robbins, Clerk-Treasurer. The official response has been made a part of this report and may be found on page 8.

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

August 28, 2006

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 this 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**