

B37844

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, 2008 to December 31, 2009



FILED
11/16/2010

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Carole Robbins

01-01-08 to 12-31-11

President of the Town Council

Lawrence Brooks

01-01-08 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 BOSTON, WAYNE COUNTY, INDIANA

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

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 8, 2010

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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 6,909	\$ 12,209	\$ 9,319	\$ 9,799
Motor Vehicle Highway	23,588	4,845	8,775	19,658
Local Road and Street	18,718	1,297	-	20,015
Cumulative Capital Improvement	21,846	576	-	22,422
Cumulative Capital Improvement - Fire	1,223	-	-	1,223
Economic Development Income Tax	33,737	7,083	830	39,990
Rainy Day	1,118	-	-	1,118
Proprietary Funds:				
Wastewater Utility - Operating	54,759	52,799	39,371	68,187
Wastewater Utility - Bond and Interest	5,000	22,007	21,507	5,500
Wastewater Utility - Debt Reserve	22,800	-	-	22,800
Totals	<u>\$ 189,698</u>	<u>\$ 100,816</u>	<u>\$ 79,802</u>	<u>\$ 210,712</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 9,799	\$ 17,554	\$ 25,363	\$ 1,990
Motor Vehicle Highway	19,658	4,746	1,724	22,680
Local Road and Street	20,015	1,207	4,182	17,040
Cumulative Capital Improvement	22,422	542	250	22,714
Cumulative Capital Improvement - Fire	1,223	-	-	1,223
Economic Development Income Tax	39,990	7,177	15,447	31,720
Rainy Day	1,118	30	-	1,148
Proprietary Funds:				
Wastewater Utility - Operating	68,187	46,253	39,922	74,518
Wastewater Utility - Bond and Interest	5,500	21,902	21,902	5,500
Wastewater Utility - Debt Reserve	22,800	-	-	22,800
Totals	<u>\$ 210,712</u>	<u>\$ 99,411</u>	<u>\$ 108,790</u>	<u>\$ 201,333</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, 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 BOSTON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

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	\$ 171,000	\$ 21,258

TOWN OF BOSTON
EXAMINATION RESULTS AND COMMENTS

CONTRACTS

In 2009, payments totaling \$4,200 were made for fire services without a contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PAYROLL DEDUCTIONS

As reported in prior Report B33407, and during the current period, payments were made to 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)

RESIDENCY REQUIREMENTS

As reported in prior Report B33407, and during the current period, neither the Clerk-Treasurer nor the Town Council President reside within the Town.

IC 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."

IC 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 September 8, 2010, with Carole Robbins, Clerk-Treasurer. The official response has been made a part of this report and may be found on page 9.

Town of Boston
P. O. Box 50
Boston, IN, 47324

September 10, 2010

Re: Residency Requirements, Withholding Taxes, and 2009 Fire Contract

We, the Town Board of Boston are responding to the Residency Requirements of the Clerk-Treasurer and Town Board Chairman. We have had several Clerk-Treasurers and Town Board Chairman in the past few years that haven't worked out for the positions. We decided as a board to go out of the town to find the persons we thought would be capable and willing to fill these positions and that is our present Clerk-Treasurer Carole Robbins and Town Board Chairman Larry Brooks. They are very capable of doing the job and are doing an excellent job.

We, the Town Board of Boston is 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 paid once a year and each member receives a 1099 on their wages. They turn these 1099's in on their taxes.

The 2009 Fire Contract has been written by our fire chief. This contract will be adopted and signed at our board meeting on September 13, 2010.

Sincerely,
Carole Robbins
Clerk-Treasurer