

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

EXAMINATION REPORT  
OF  
BEAN BLOSSOM TOWNSHIP  
MONROE COUNTY, INDIANA  
January 1, 2005 to December 31, 2006



**FILED**  
12/31/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Trustee	Vera E. Figg	01-01-03 to 12-31-10
Chairman of the Township Board	Virgil E. Meyers Vernal Chafin	01-01-05 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BEAN BLOSSOM TOWNSHIP, MONROE COUNTY, INDIANA

We have examined the financial information presented herein of Bean Blossom Township (Township), for the period of January 1, 2005 to December 31, 2006. The Township'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 Township for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Supplementary Information, as listed in the Table of Contents, was presented for additional analysis and is not a required part of the basic financial information. The Supplementary Information has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Supplementary Information.

STATE BOARD OF ACCOUNTS

December 3, 2007

BEAN BLOSSOM TOWNSHIP, MONROE COUNTY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Township	\$ 44,323	\$ 14,423	\$ 32,109	\$ 26,637
Dog	383	1,226	1,483	126
Township Assistance	17,894	1,629	5,685	13,838
Firefighting	26,282	14,992	41,274	-
Park and Recreation	1,325	1,468	2,641	152
Cumulative Fire	46,697	8,243	10,380	44,560
Rainy Day	1,244	-	-	1,244
Totals	<u>\$ 138,148</u>	<u>\$ 41,981</u>	<u>\$ 93,572</u>	<u>\$ 86,557</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Township	\$ 26,637	\$ 26,281	\$ 28,962	\$ 23,956
Dog	126	134	245	15
Township Assistance	13,838	17,645	4,618	26,865
Firefighting	-	52,984	38,628	14,356
Park and Recreation	152	5,339	2,747	2,744
Cumulative Fire	44,560	25,583	19,842	50,301
Rainy Day	1,244	-	1,125	119
Levy Excess	-	406	-	406
Totals	<u>\$ 86,557</u>	<u>\$ 128,372</u>	<u>\$ 96,167</u>	<u>\$ 118,762</u>

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

BEAN BLOSSOM TOWNSHIP, MONROE COUNTY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Township was established under the laws of the State of Indiana. The Township provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Township 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 are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the Township 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 may 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 Township 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 Township 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.

BEAN BLOSSOM TOWNSHIP, MONROE COUNTY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

December 31, 2006

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.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 60,477</u>

BEAM BLOSSOM TOWNSHIP, MONROE COUNTY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2006

The Township has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Notes and loans payable	\$ 59,236	\$ 9,398

BEAN BLOSSOM TOWNSHIP, MONROE COUNTY  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

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

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Township	2005	<u>\$ 9107</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."

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$65.76 were paid to the Internal Revenue Service on October 1, 2005, due to the untimely remittance of federal employment taxes for the June 30, 2005, reporting period.

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 Townships, Chapter 13)

COMPENSATION AND BENEFITS

Two individuals received payments for mowing cemeteries during 2005 and 2006 which were included in the payroll system but were not included in a salary 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 Townships, Chapter 17)

CONFLICT OF INTEREST DISCLOSURE

Julie Frank and Michael Frank are the children of Trustee, Vera E. Figg. Michael Frank was paid for mowing cemeteries in 2005 and 2006. Julie Frank was paid for mowing cemeteries in 2005. A Uniform Conflict of Interest Disclosure Statement was filed for Michael Frank in 2005. No conflict of interest form was filed for Julie Frank for 2005 or for Michael Frank for 2006.

BEAN BLOSSOM TOWNSHIP, MONROE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 35-44-1-3 states in part:

"(a) A public servant who knowingly or intentionally: (1) has a pecuniary interest in; or (2) derives a profit from; a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Class D felony."

"(c) This section does not prohibit a public servant from having a pecuniary interest in or deriving a profit from a contract or purchase connected with the governmental entity served . . . (3) if the public servant; (A) is an elected public servant . . . and (B) makes a disclosure under subsection (d)(1) through (d)(6). . . .

(d) A disclosure required by this section must: (1) be in writing; (2) describe the contract or purchase to be made by the governmental entity; (3) describe the pecuniary interest that the public servant has in the contract or purchase; (4) be affirmed under penalty of perjury; (5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity prior to final action on the contract or purchase; (6) be filed within fifteen (15) days after final action on the contract or purchase with: (A) the state board of accounts; and (B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

"(g) A public servant has a pecuniary interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of: (1) the public servant; or (2) a dependent of the public servant who: (A) is under the direct or indirect administrative control of the public servant; or (B) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant."

"(k) As used in this section, 'dependent' means any of the following: (1) The spouse of a public servant. (2) A child, stepchild, or adoptee (as defined in IC 31-3-4-1) of a public servant who is: (A) unemancipated; and (B) less than eighteen (18) years of age. (3) Any individual more than one-half (2) of whose support is provided during a year by the public servant."

PAYMENTS IN ADVANCE

Vera E. Figg, Trustee, was paid her entire annual salary for 2005 by March 31, 2005, and her entire 2006 annual salary by April 30, 2006.

Salaries and wages of public officers may not be paid in advance. [IC 5-7-3-1] (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 17)

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BEAN BLOSSOM TOWNSHIP, MONROE COUNTY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

Vera E. Figg, Trustee, was reimbursed in the amount of \$459.99 for the base monthly bill on her personal cellular phone. The reimbursement was not based on actual Township business use. The additional compensation was not reported to the Internal Revenue Service or the Indiana Department of Revenue.

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 Townships, Chapter 13)

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 Townships, Chapter 13)

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 Townships, Page 13)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

BEAN BLOSSOM TOWNSHIP, MONROE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on December 3, 2007, with Vera E. Figg, Trustee.