

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

EXAMINATION REPORT
OF
TOWN OF BLOUNTSVILLE
HENRY COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
11/02/2006

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Teresa Manning
Penney Bolin

01-01-03 to 12-31-03
01-01-04 to 12-31-06

President of the Town Council

Paul Reneau

01-01-03 to 12-31-06



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BLOUNTSVILLE, HENRY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Town of Blountsville (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

October 12, 2006

TOWN OF BLOUNTSVILLE
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	\$ 9,409	\$ 11,078	\$ 15,697	\$ 4,790
Motor Vehicle Highway	12,796	4,776	2,429	15,143
Local Road and Street	8,930	1,137	3,500	6,567
Cumulative Capital Improvement	-	600	600	-
Totals	<u>\$ 31,135</u>	<u>\$ 17,591</u>	<u>\$ 22,226</u>	<u>\$ 26,500</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 4,790	\$ 20,417	\$ 17,850	\$ 7,357
Motor Vehicle Highway	15,143	5,836	1,404	19,575
Local Road and Street	6,567	896	3,375	4,088
Totals	<u>\$ 26,500</u>	<u>\$ 27,149</u>	<u>\$ 22,629</u>	<u>\$ 31,020</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 7,357	\$ 13,192	\$ 18,407	\$ 2,142
Motor Vehicle Highway	19,575	8,533	7,186	20,922
Local Road and Street	4,088	1,302	2,910	2,480
Totals	<u>\$ 31,020</u>	<u>\$ 23,027</u>	<u>\$ 28,503</u>	<u>\$ 25,544</u>

The accompanying notes are an integral part of the schedules.

TOWN OF BLOUNTSVILLE
NOTES TO SCHEDULES

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: highways and streets, solid waste disposal, 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.

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 BLOUNTSVILLE
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use:

Receipts (Town Form 217)
Ledger of Appropriations, Encumbrances, Disbursements
and Balances (Town Form 209)
Accounts Payable Voucher (Town Form 39)

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)

ANNUAL REPORTS

No annual reports for the years 2003, 2004, or 2005 were presented for examination.

Indiana Code 5-3-1-3(a) states in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

CERTIFIED REPORTS NOT FILED

The Town did not file certified reports of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the years 2003, 2004, and 2005.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

OFFICIAL BONDS

No official bonds were on file in the Office of the County Recorder for the time period January 1, 2003 to February 12, 2004.

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. . ."

BOARD MINUTES

Not all minutes of meetings of the governing body were available for examination.

TOWN OF BLOUNTSVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-14-1.5-4 states in part:

"(b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes take, by individual members if there is a roll call.
- (5) All additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

DEPOSITS

As stated in the prior Audit Report B22415, in numerous instances, receipts were deposited later than the next business day.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

ACCOUNTS PAYABLE VOUCHERS

Disbursements were not supported by a properly prepared Accounts Payable Vouchers.

Indiana Code 5-11-10-2(a) states: "Claims against a political subdivision of the state must be approved by the officer or person receiving the goods or services, be audited for correctness and approved by the disbursing officer of the political subdivision, and, where applicable, be allowed by the governing body having jurisdiction over allowance of such claims before they are paid. If the claim is against a governmental entity (as defined in section 1.6 of this chapter), the claim must be certified by the fiscal officer."

COMPENSATION AND BENEFITS

The Clerk-Treasurer received \$1,500 and each of the three board members received \$600 in payments for 2003, 2004, and 2005. No salary ordinances, resolutions or salary schedules for these three years were presented for examination.

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)

TOWN OF BLOUNTSVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2006, with Paul Reneau, President of the Town Council.

The contents of this report were discussed on October 12, 2006, with Penney Bolin, Clerk-Treasurer. The official response has been made a part of this report and may be found on page 9.

Town of Bloutsville

Penney Bolin
8910 N. Wilbur Wright Rd.
Losantville, IN 47354

October 11, 2006

To Whom It May Concern:

I took over the office of Clerk Treasurer for year 2004, I had no knowledge of what the duties were. I feel I am learning more and more each year. I hope in the future I can have all forms completed for the next audit year.

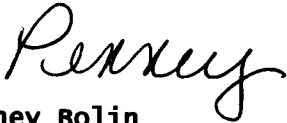
Since there was no records kept up to date by the previous Clerk, it was hard to know how to proceed with each month.

All I can say, is I hope to do a better job in the future. If you feel that you can replace my job with another person, I will understand.

I do feel maybe it would help if the state would have a class that all new people should attend, to learn all the job duties that pertain to their new job.

If you have any questions please contact me.

Sincerely,



Penney Bolin
Clerk Treasurer
Town of Bloutsville
765-774-3325 Home