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B44310

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

October 16, 2014

TO: THE OFFICIALS OF BLOOMING GROVE TOWNSHIP, FRANKLIN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Blooming Grove Township (Township), for the period of January 1, 2010 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Township's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Township.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Township's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Township can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Unresolved Comments From Prior Report

- *Depository reconciliations of the fund balances to the bank account balances were not presented for 2010, 2011, 2012, and 2013.*
- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Year</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2010	Township	\$ <u>491</u>

- *Receipts were deposited later than the first and fifteenth of the month for 39 out of the 62 distributions received from the Franklin County Auditor.*

- *The Annual Financial Reports filed on Gateway for 2011, 2012, and 2013 contained a number of errors and did not properly reflect the financial activity of the Township. The Ledger contained a number of errors and had to be totaled and balanced by the examiner. Errors to the Ledger included checks recorded at incorrect amounts, checks posted to the receipts column in the Township fund, receipts posted at incorrect amounts, and ledgers were not totaled.*

<u>Years</u>	<u>Fund</u>	<u>Category</u>	<u>Amount Per Gateway</u>	<u>Amount Per Township Ledger</u>	<u>Difference</u>
2011	Township	Disbursements	\$ 16,825.60	\$ 16,060.60	\$ 765.00
2011	Township	Ending Balance	13,752.17	14,517.17	(765.00)
2012	Township	Beginning Balance	13,752.17	14,517.17	(765.00)
2012	Township	Receipts	15,837.86	15,930.99	(93.13)
2012	Township Assistance	Receipts	2,046.96	2,273.90	(226.94)
2012	Fire Fighting	Receipts	11,351.98	11,374.50	(22.52)
2012	Township	Disbursements	16,972.31	16,207.31	765.00
2012	Township Assistance	Disbursements	3,267.87	3,350.16	(82.29)
2012	Township	Ending Balance	12,617.72	14,240.85	(1,623.13)
2012	Township Assistance	Ending Balance	9,219.46	9,364.11	(144.65)
2012	Fire Fighting	Ending Balance	5,107.02	5,129.54	(22.52)
2013	Township	Beginning Balance	12,617.72	14,240.85	(1,623.13)
2013	Township Assistance	Beginning Balance	9,219.46	9,364.11	(144.65)
2013	Fire Fighting	Beginning Balance	5,107.02	5,129.54	(22.52)
2013	Township	Receipts	16,083.24	16,449.44	(366.20)
2013	Township Assistance	Receipts	2,008.80	1,771.45	237.35
2013	Fire Fighting	Receipts	10,466.06	10,353.90	112.16
2013	Township	Disbursements	15,359.09	14,599.50	759.59
2013	Township Assistance	Disbursements	3,900.40	3,614.97	285.43
2013	Township	Ending Balance	13,341.87	16,090.73	(2,748.86)
2013	Township Assistance	Ending Balance	7,327.86	7,520.59	(192.73)
2013	Fire Fighting	Ending Balance	5,573.08	5,483.44	89.64

- *Receipts were not properly posted to the Township Ledger. During 2012 and 2013, two distributions from Franklin County Auditor were not posted to the Ledger and two distributions were posted to the Ledger at incorrect amounts.*


Current Period Comments

- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.*
- *The Township did not adopt a resolution establishing salaries of Township officers and employees for 2010, 2011, 2012, or 2013.*
- *Payments made for cemetery care were not supported by a written contract in 2010, 2011, 2012, and 2013.*
- *Payments made for fire protection for 2013 did not comply with the amount in the written contract.*
- *Township Assistance Standards were not established in accordance with Indiana Code 12-20-5.5-1.*
- *The Township did not have a Nepotism Policy for 2012 or 2013.*
- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-20.2 (Nepotism) by December 31, 2012 and 2013.*
- *The Township did not have a Contracting Policy for 2012 or 2013.*

- *Each elected officer did not certify in writing that the officer had not violated Indiana Code 36-1-21 (Contracting With a Unit) by December 31, 2012 and 2013.*
- *The July 2012 bank statements were not presented for review. The April and November 2013 bank statements were not presented for review. The W-2s for 2010, 2012, and 2013 were not presented for review. The 941s for 2011, 2012, and 2013 were not presented for review.*
- *The Township did not timely file a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100-R or its equivalent) with the Indiana State Board of Accounts for 2010, 2011, or 2012. The reports were filed on May 18, 2011, June 18, 2012, and June 26, 2013, which are 107, 139, and 146 days, respectively, past the due dates.*

This letter is intended for the information and use of the governing body and management of the Township. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on May 28, 2014, with Vivian June Shepler, Trustee.


Paul D. Joyce, CPA
State Examiner