

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

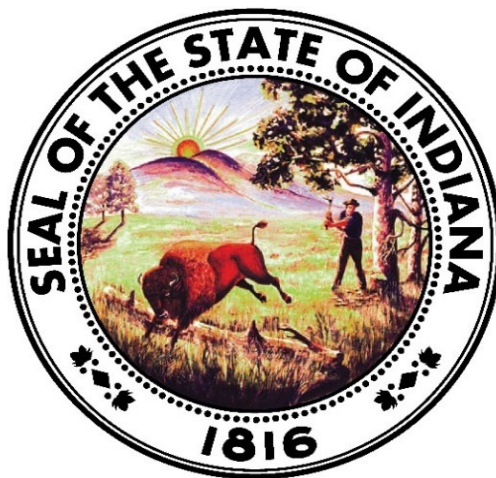
SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF BLUFFTON

WELLS COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
03/31/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tamara D. Runyon	01-01-21 to 12-31-23
Mayor	John Whicker	01-01-21 to 12-31-23
President of the Board of Public Works and Safety	John Whicker	01-01-21 to 12-31-23
President Pro Tempore of the Common Council	Scott Mentzer	01-01-21 to 12-31-23
Utility Operations Manager	Jon S. Oman	01-01-21 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CITY OF BLUFFTON, WELLS COUNTY, INDIANA

This report is supplemental to our audit report of the City of Bluffton (City), for the period from January 1, 2021 to December 31, 2021. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement Audit Report of the City, which provides our opinion on the City's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

March 27, 2023

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CLERK-TREASURER
CITY OF BLUFFTON

CLERK-TREASURER
CITY OF BLUFFTON
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

Condition and Context

Financial and Other Information is required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system.

The following information entered into Gateway contained errors:

Capital Assets

The City did not maintain a detailed listing of capital assets to support capital asset information entered into Gateway.

The Schedule of Capital Assets will not be reported as Other Information in the Financial Statement Audit Report.

Leases and Debt

The City entered the following debt information incorrectly into Gateway:

1. Electric Utility revenue bonds Ending Principal Balance was understated by \$1,643,765; and Principal and Interest Due within One Year was overstated by \$43,321.
2. Wastewater Utility revenue bonds Ending Principal Balance was overstated by \$197,000; and Principal and Interest Due within One Year was overstated by \$321,000.
3. Wastewater Utility Notes and Loans Payable Principal and Interest Due within One Year was understated by \$7,758.
4. Water Utility revenue bonds Ending Principal Balance was overstated by \$256,209; and Principal and Interest Due within One Year was overstated by \$94,319.

CLERK-TREASURER
CITY OF BLUFFTON
AUDIT RESULTS AND COMMENTS
(Continued)

Adjustments were proposed, accepted by the City, and made to the Schedule of Leases and Debt presented as Other Information.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CAPITAL ASSETS

Condition and Context

The City does not have an adequate, up to date detailed listing of capital assets as of December 31, 2021. Additions and deletions of capital assets have been maintained in total on spreadsheets annually, but the detailed listing of capital assets has not been updated since 2012. In addition, a complete physical inventory of capital assets was not completed as of December 31, 2021.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER
CITY OF BLUFFTON
EXIT CONFERENCE

The contents of this report were discussed on March 27, 2023, with Tamara D. Runyon, Clerk-Treasurer; Michelle Simon, Deputy Clerk-Treasurer; Chandler Gerber, Common Council member; Josh Hunt, Common Council member; and John Whicker, Mayor.