

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF BLOOMINGTON
MONROE COUNTY, INDIANA

January 1, 2015 to December 31, 2015



FILED
09/19/2017

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	10-11
Notes to Financial Statement	12-17
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	20-32
Schedule of Payables and Receivables	33
Schedule of Leases and Debt	34
Schedule of Capital Assets	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance	38-39
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	42-43
Notes to Schedule of Expenditures of Federal Awards	44
Schedule of Findings and Questioned Costs	45-47
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings	50-51
Corrective Action Plan	52
Other Reports	53

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Jeffrey H. Underwood	01-01-15 to 12-31-17
Mayor	Mark Kruzan John Hamilton	01-01-12 to 12-31-15 01-01-16 to 12-31-19
President of the Board of Public Works	Charlotte Zietlow Kyla Cox Deckard	01-01-15 to 12-31-15 01-01-16 to 12-31-17
President of the City Council	David Rollo Andrew Ruff Susan Sandberg	01-01-15 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17
Utility Office Manager	Patrick Murphy John Langley Victor Kelson	01-01-15 to 12-31-15 01-01-16 to 04-24-16 04-25-16 to 12-31-17



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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Bloomington (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (Indiana Code 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2015.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

August 29, 2017



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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

TO: THE OFFICIALS OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Bloomington (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated August 29, 2017, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001, that we consider to be a material weakness.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

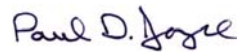
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-001.

City of Bloomington's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 29, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF BLOOMINGTON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
General	\$ 7,067,334	\$ 36,851,499	\$ 34,720,991	\$ 9,197,842
Motor Vehicle Highway	978,783	4,015,592	4,338,798	655,577
Local Road And Street	177,102	581,455	547,141	211,416
Parking Enforcement	1,606,811	1,754,792	1,525,980	1,835,623
Crime Control	114,433	197,582	238,065	73,950
Parking Meter	258,491	2,366,819	1,635,783	989,527
Enhanced Access	4,931	268	-	5,199
Electronic Map Generation	9,679	543	-	10,222
Parks & Rec General	258,617	6,769,455	6,384,871	643,201
Rainy Day	4,630,833	12,551	-	4,643,384
Cumulative Improvement (Cig)	307,720	411,316	300,000	419,036
Cumulative Cap Develop	1,073,717	1,722,825	1,789,856	1,006,686
RDC	83,049	24,746	11,758	96,037
Police Pension	1,201,664	1,304,885	1,292,836	1,213,713
Fire Pension	1,248,216	1,953,462	1,890,487	1,311,191
Debt Service Reserve For 440 TIF	1,069,001	2,681	-	1,071,682
Rental Inspection Program	70,657	262,139	280,000	52,796
2011 Downtown Redevelop Bond	-	1,055,174	1,055,174	-
Surplus CTP Bond	2,188,198	5,829	276,693	1,917,334
Grants Non Approp	-	96,716	111,023	(14,307)
IU Woodlawn Escrow	-	166,558	119,657	46,901
Consolidated TIF	-	20,071,872	553,497	19,518,375
Debt Services Reserve for 518	-	2,865,755	-	2,865,755
Consolidated TIF Bond Proceeds	-	39,836,687	715,444	39,121,243
Bloomington Technology Park	52,829	143	-	52,972
B-Line Ph2 DNR -Grant	67	-	-	67
Community Services	59,798	63,352	73,517	49,633
CDBG Escrow	11	-	-	11
Police Education	182,399	41,618	32,668	191,349
CDBG	(63,270)	1,094,502	1,030,503	729
Parks Non Reverting Operating	1,865,032	2,208,049	2,030,186	2,042,895
Bloomington Invest Incent	516,233	27,874	503,383	40,724
Affordable Housing	2,833	-	-	2,833
Rental Rehab	2,610	-	-	2,610
HOME	56,398	600,268	634,777	21,889
HAND Special Grants	91,595	64,855	67,234	89,216
Dispatch Training	93,697	295	6,168	87,824
Non Reverting Telecom	1,714,676	892,518	1,650,540	956,654
Restricted Donation	44,958	57,375	38,811	63,522
Municipal Arts	74,386	-	12,750	61,636
Arts Commission Operating	8,327	1,980	800	9,507
Non Reverting Econ Develop	16,600	-	-	16,600
Non Reverting Improve	114,676	503,383	220,469	397,590
Unsafe Housing	92,960	94,922	26,224	161,658

The notes to the financial statement are an integral part of this statement.

CITY OF BLOOMINGTON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2015
(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
CTP Downtown	3,887,883	687,638	-	4,575,521
TIF Downtown	3,560,091	2,042,234	5,602,325	-
TIF Tapp	772,278	156,025	928,303	-
TIF Adams	3,746,693	452,282	4,198,975	-
TIF Prow	345,674	93,394	-	439,068
TIF Whitehall	3,865,905	944,838	4,810,743	-
TIF Thomson Walnut Winslow	3,206,034	698,704	3,904,738	-
Solid Waste	-	2,034,664	2,034,664	-
Petty Cash Accounts- City	20,230	5,500	4,500	21,230
Petty Cash Accounts-Utilities	400	-	-	400
Alternative Transportation	260,588	860,134	375,002	745,720
Downtown CRED	6,774,486	770,041	11,472	7,533,055
BMFC Showers	28,746	635,250	636,015	27,981
Police Station Lease	44,717	-	-	44,717
98 Street Bond	18,297	869,388	887,685	-
Golf Course Bond	6,501	271,905	270,430	7,976
BMFC 1998 Street Lease	643	1,186,232	1,186,875	-
Redevelopment Dis Bond 2000	313,611	-	257,625	55,986
Fire Station #2 Lease	15,348	79,152	94,500	-
2001 Parks Bond	(2,934)	670,147	449,783	217,430
Parks Land Acquisition	1,533	-	-	1,533
Fire Capital	8,908	-	-	8,908
Industrial Development	2,660,602	1,011,599	450,000	3,222,201
Vehicle Replacement	163,648	202,500	115,570	250,578
Risk Management	404,879	905,502	754,846	555,535
Fleet Maintenance	853,127	1,832,506	1,788,395	897,238
Rosehill Trust	54,014	146	-	54,160
Payroll	-	37,444,665	37,345,910	98,755
Health Insurance	1,342,950	10,718,941	9,296,158	2,765,733
Insurance Voluntary Trust	220,463	922,212	916,594	226,081
Unemployment Comp	90,831	72,041	8,196	154,676
Storm Water Utility-Operating	628,574	1,433,455	1,376,029	686,000
Payroll Utility	-	2,252,479	2,228,025	24,454
Wastewater Utility-Operating	6,121,434	19,448,240	19,637,440	5,932,234
Wastewater Util-Bond And Interest	4,911	6,217,049	6,221,569	391
Wastewater Utility-Construction	1,813,160	543	1,355,750	457,953
Wastewater Utility-Debt Reserve	6,724,836	34,326	68,321	6,690,841
Water O&M	3,313,194	15,195,537	15,601,592	2,907,139
Water Utility-Bond And Interest	2,588	5,221,715	5,223,881	422
Water Utility-Construction	1,622,780	36,513	1,132,692	526,601
Water Hydrant Deposit	32,200	14,300	10,650	35,850
Water Utility-Debt Reserve	5,639,133	10,246	28	5,649,351
Totals	<u>\$ 85,845,007</u>	<u>\$ 243,414,378</u>	<u>\$ 193,301,365</u>	<u>\$ 135,958,020</u>

The notes to the financial statement are an integral part of this statement.

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits. Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. *Deposits and Investments*

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be 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 statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. *Risk Management*

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. *Pension Plans*

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

Note 7. Cash Balance Deficits

The financial statement contains one fund with a deficit in cash. This is a result of the fund being set up for reimbursable grants. The reimbursement for expenditures made by the City was not received by December 31, 2015.

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OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	General	Motor Vehicle Highway	Local Road And Street	Parking Enforcement	Crime Control	Parking Meter	Enhanced Access
Cash and investments - beginning	\$ 7,067,334	\$ 978,783	\$ 177,102	\$ 1,606,811	\$ 114,433	\$ 258,491	\$ 4,931
Receipts:							
Taxes	20,163,328	-	-	-	-	-	-
Licenses and permits	114,119	-	-	-	-	-	-
Intergovernmental receipts	12,394,796	3,786,110	580,455	-	-	-	-
Charges for services	350,095	-	-	1,053,144	-	2,356,869	268
Fines and forfeits	697,254	-	-	827	194,292	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	3,131,907	229,482	1,000	700,821	3,290	9,950	-
Total receipts	36,851,499	4,015,592	581,455	1,754,792	197,582	2,366,819	268
Disbursements:							
Personal services	29,609,972	2,706,553	-	440,575	-	643,649	-
Supplies	893,986	794,550	-	30,320	-	50,566	-
Other services and charges	2,880,946	705,153	547,141	1,055,085	238,065	941,568	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	45,940	132,542	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,290,147	-	-	-	-	-	-
Total disbursements	34,720,991	4,338,798	547,141	1,525,980	238,065	1,635,783	-
Excess (deficiency) of receipts over disbursements	2,130,508	(323,206)	34,314	228,812	(40,483)	731,036	268
Cash and investments - ending	\$ 9,197,842	\$ 655,577	\$ 211,416	\$ 1,835,623	\$ 73,950	\$ 989,527	\$ 5,199

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Electronic Map Generation	Parks & Rec General	Rainy Day	Cumulative Improvement (Cig)	Cumulative Cap Develop	RDC	Police Pension
Cash and investments - beginning	\$ 9,679	\$ 258,617	\$ 4,630,833	\$ 307,720	\$ 1,073,717	\$ 83,049	\$ 1,201,664
Receipts:							
Taxes	-	5,338,354	-	-	1,619,481	-	1,301,450
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	340,783	-	411,316	103,344	-	-
Charges for services	543	1,085,769	-	-	-	24,500	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	4,549	12,551	-	-	246	3,435
Total receipts	543	6,769,455	12,551	411,316	1,722,825	24,746	1,304,885
Disbursements:							
Personal services	-	4,456,628	-	-	-	-	3,983
Supplies	-	507,672	-	110,000	280,698	-	-
Other services and charges	-	1,148,666	-	-	376,593	11,758	1,288,853
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	632,565	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	271,905	-	190,000	500,000	-	-
Total disbursements	-	6,384,871	-	300,000	1,789,856	11,758	1,292,836
Excess (deficiency) of receipts over disbursements	543	384,584	12,551	111,316	(67,031)	12,988	12,049
Cash and investments - ending	\$ 10,222	\$ 643,201	\$ 4,643,384	\$ 419,036	\$ 1,006,686	\$ 96,037	\$ 1,213,713

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Fire Pension	Debt Service Reserve For 440 TIF	Rental Inspection Program	2011 Downtown Redevelop Bond	Surplus CTP Bond	Grants Non Approp	IU Woodlawn Escrow
Cash and investments - beginning	\$ 1,248,216	\$ 1,069,001	\$ 70,657	\$ -	\$ 2,188,198	\$ -	\$ -
Receipts:							
Taxes	1,944,863	-	-	-	-	-	-
Licenses and permits	-	-	241,979	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	86,780	-
Charges for services	-	-	20,160	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	8,599	2,681	-	1,055,174	5,829	9,936	166,558
Total receipts	1,953,462	2,681	262,139	1,055,174	5,829	96,716	166,558
Disbursements:							
Personal services	3,651	-	-	-	-	6,804	-
Supplies	141	-	-	-	-	58,924	-
Other services and charges	1,886,695	-	-	750	276,693	45,295	119,657
Debt service - principal and interest	-	-	-	1,054,424	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	280,000	-	-	-	-
Total disbursements	1,890,487	-	280,000	1,055,174	276,693	111,023	119,657
Excess (deficiency) of receipts over disbursements	62,975	2,681	(17,861)	-	(270,864)	(14,307)	46,901
Cash and investments - ending	\$ 1,311,191	\$ 1,071,682	\$ 52,796	\$ -	\$ 1,917,334	\$ (14,307)	\$ 46,901

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Consolidated TIF	Debt Services Reserve for 518	Consolidated TIF Bond Proceeds	Bloomington Technology Park	B-Line Ph2 DNR -Grant	Community Services	CDBG Escrow
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 52,829	\$ 67	\$ 59,798	\$ 11
Receipts:							
Taxes	3,647,580	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	19,609	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	16,404,683	2,865,755	39,836,687	143	-	63,352	-
Total receipts	20,071,872	2,865,755	39,836,687	143	-	63,352	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	8,963	-
Other services and charges	216,676	-	248,445	-	-	64,554	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	466,999	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	336,821	-	-	-	-	-	-
Total disbursements	553,497	-	715,444	-	-	73,517	-
Excess (deficiency) of receipts over disbursements	19,518,375	2,865,755	39,121,243	143	-	(10,165)	-
Cash and investments - ending	\$ 19,518,375	\$ 2,865,755	\$ 39,121,243	\$ 52,972	\$ 67	\$ 49,633	\$ 11

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Police Education	CDBG	Parks Non Reverting Operating	Bloomington Invest Incent	Affordable Housing	Rental Rehab	HOME
Cash and investments - beginning	\$ 182,399	\$ (63,270)	\$ 1,865,032	\$ 516,233	\$ 2,833	\$ 2,610	\$ 56,398
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	1,046,504	53,880	-	-	-	417,403
Charges for services	37,733	-	2,099,458	-	-	-	-
Fines and forfeits	2,143	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,742	47,998	54,711	27,874	-	-	182,865
Total receipts	41,618	1,094,502	2,208,049	27,874	-	-	600,268
Disbursements:							
Personal services	-	91,736	466,619	-	-	-	63,945
Supplies	-	368	368,707	-	-	-	267
Other services and charges	32,668	938,399	635,584	-	-	-	570,565
Debt service - principal and interest	-	-	543,560	-	-	-	-
Capital outlay	-	-	14,641	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	1,075	503,383	-	-	-
Total disbursements	32,668	1,030,503	2,030,186	503,383	-	-	634,777
Excess (deficiency) of receipts over disbursements	8,950	63,999	177,863	(475,509)	-	-	(34,509)
Cash and investments - ending	\$ 191,349	\$ 729	\$ 2,042,895	\$ 40,724	\$ 2,833	\$ 2,610	\$ 21,889

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	HAND Special Grants	Dispatch Training	Non Reverting Telecom	Restricted Donation	Municipal Arts	Arts Commission Operating	Non Reverting Econ Develop
Cash and investments - beginning	\$ 91,595	\$ 93,697	\$ 1,714,676	\$ 44,958	\$ 74,386	\$ 8,327	\$ 16,600
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	61,072	-	-	-	-	980	-
Charges for services	951	-	886,330	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	2,832	295	6,188	57,375	-	1,000	-
Total receipts	64,855	295	892,518	57,375	-	1,980	-
Disbursements:							
Personal services	23,905	-	-	-	-	-	-
Supplies	-	-	8,333	33,379	-	-	-
Other services and charges	43,329	6,168	938,816	5,432	12,750	800	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	703,391	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	67,234	6,168	1,650,540	38,811	12,750	800	-
Excess (deficiency) of receipts over disbursements	(2,379)	(5,873)	(758,022)	18,564	(12,750)	1,180	-
Cash and investments - ending	\$ 89,216	\$ 87,824	\$ 956,654	\$ 63,522	\$ 61,636	\$ 9,507	\$ 16,600

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Non Reverting Improve	Unsafe Housing	CTP Downtown	TIF Downtown	TIF Tapp	TIF Adams	TIF Prow
Cash and investments - beginning	\$ 114,676	\$ 92,960	\$ 3,887,883	\$ 3,560,091	\$ 772,278	\$ 3,746,693	\$ 345,674
Receipts:							
Taxes	-	-	-	2,033,641	155,047	443,385	92,372
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	675,721	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	94,922	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	503,383	-	11,917	8,593	978	8,897	1,022
Total receipts	503,383	94,922	687,638	2,042,234	156,025	452,282	93,394
Disbursements:							
Personal services	-	18,638	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	220,469	7,586	-	265,032	12,397	87,890	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	5,337,293	915,906	4,111,085	-
Total disbursements	220,469	26,224	-	5,602,325	928,303	4,198,975	-
Excess (deficiency) of receipts over disbursements	282,914	68,698	687,638	(3,560,091)	(772,278)	(3,746,693)	93,394
Cash and investments - ending	\$ 397,590	\$ 161,658	\$ 4,575,521	\$ -	\$ -	\$ -	\$ 439,068

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	TIF Whitehall	TIF Thomson Walnut Winslow	Solid Waste	Petty Cash Accounts- City	Petty Cash Accounts-Utilities	Alternative Transportation	Downtown CRED
Cash and investments - beginning	\$ 3,865,905	\$ 3,206,034	\$ -	\$ 20,230	\$ 400	\$ 260,588	\$ 6,774,486
Receipts:							
Taxes	940,498	672,518	-	-	-	-	750,000
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	939,968	-	-	125,594	-
Fines and forfeits	-	-	-	-	-	234,540	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,340	26,186	1,094,696	5,500	-	500,000	20,041
Total receipts	<u>944,838</u>	<u>698,704</u>	<u>2,034,664</u>	<u>5,500</u>	<u>-</u>	<u>860,134</u>	<u>770,041</u>
Disbursements:							
Personal services	-	-	1,488,671	-	-	111,442	-
Supplies	-	-	86,036	-	-	4,596	-
Other services and charges	-	37,805	459,957	-	-	17,301	11,472
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	241,663	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,810,743	3,866,933	-	4,500	-	-	-
Total disbursements	<u>4,810,743</u>	<u>3,904,738</u>	<u>2,034,664</u>	<u>4,500</u>	<u>-</u>	<u>375,002</u>	<u>11,472</u>
Excess (deficiency) of receipts over disbursements	<u>(3,865,905)</u>	<u>(3,206,034)</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>485,132</u>	<u>758,569</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,230</u>	<u>\$ 400</u>	<u>\$ 745,720</u>	<u>\$ 7,533,055</u>

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	BMFC Showers	Police Station Lease	98 Street Bond	Golf Course Bond	BMFC 1998 Street Lease	Redevelopment Dis Bond 2000	Fire Station #2 Lease
Cash and investments - beginning	\$ 28,746	\$ 44,717	\$ 18,297	\$ 6,501	\$ 643	\$ 313,611	\$ 15,348
Receipts:							
Taxes	-	-	817,925	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	635,250	-	51,463	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	271,905	1,186,232	-	79,152
Total receipts	635,250	-	869,388	271,905	1,186,232	-	79,152
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	636,015	-	750	750	1,186,875	500	94,500
Debt service - principal and interest	-	-	886,935	269,680	-	257,125	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	636,015	-	887,685	270,430	1,186,875	257,625	94,500
Excess (deficiency) of receipts over disbursements	(765)	-	(18,297)	1,475	(643)	(257,625)	(15,348)
Cash and investments - ending	\$ 27,981	\$ 44,717	\$ -	\$ 7,976	\$ -	\$ 55,986	\$ -

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	2001 Parks Bond	Parks Land Acquisition	Fire Capital	Industrial Development	Vehicle Replacement	Risk Management
Cash and investments - beginning	\$ (2,934)	\$ 1,533	\$ 8,908	\$ 2,660,602	\$ 163,648	\$ 404,879
Receipts:						
Taxes	630,190	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	39,957	-	-	1,000,000	-	-
Charges for services	-	-	-	-	-	872,159
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	11,599	202,500	33,343
Total receipts	<u>670,147</u>	<u>-</u>	<u>-</u>	<u>1,011,599</u>	<u>202,500</u>	<u>905,502</u>
Disbursements:						
Personal services	-	-	-	-	-	226,392
Supplies	-	-	-	-	-	36,572
Other services and charges	750	-	-	450,000	83,155	491,882
Debt service - principal and interest	449,033	-	-	-	-	-
Capital outlay	-	-	-	-	32,415	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>449,783</u>	<u>-</u>	<u>-</u>	<u>450,000</u>	<u>115,570</u>	<u>754,846</u>
Excess (deficiency) of receipts over disbursements	<u>220,364</u>	<u>-</u>	<u>-</u>	<u>561,599</u>	<u>86,930</u>	<u>150,656</u>
Cash and investments - ending	<u>\$ 217,430</u>	<u>\$ 1,533</u>	<u>\$ 8,908</u>	<u>\$ 3,222,201</u>	<u>\$ 250,578</u>	<u>\$ 555,535</u>

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Fleet Maintenance	Rosehill Trust	Payroll	Health Insurance	Insurance Voluntary Trust	Unemployment Comp
Cash and investments - beginning	\$ 853,127	\$ 54,014	\$ -	\$ 1,342,950	\$ 220,463	\$ 90,831
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	1,199,186	-	-	8,909,530	-	72,041
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	633,320	146	37,444,665	1,809,411	922,212	-
Total receipts	1,832,506	146	37,444,665	10,718,941	922,212	72,041
Disbursements:						
Personal services	661,783	-	-	-	-	-
Supplies	1,028,624	-	-	-	-	-
Other services and charges	97,988	-	-	9,296,158	916,594	8,196
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	37,345,910	-	-	-
Total disbursements	1,788,395	-	37,345,910	9,296,158	916,594	8,196
Excess (deficiency) of receipts over disbursements	44,111	146	98,755	1,422,783	5,618	63,845
Cash and investments - ending	\$ 897,238	\$ 54,160	\$ 98,755	\$ 2,765,733	\$ 226,081	\$ 154,676

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Storm Water Utility-Operating	Payroll Utility	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility-Construction	Wastewater Utility-Debt Reserve
Cash and investments - beginning	\$ 628,574	\$ -	\$ 6,121,434	\$ 4,911	\$ 1,813,160	\$ 6,724,836
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	1,359,874	-	19,076,646	-	-	-
Other receipts	73,581	2,252,479	371,594	6,217,049	543	34,326
Total receipts	1,433,455	2,252,479	19,448,240	6,217,049	543	34,326
Disbursements:						
Personal services	339,283	-	4,925,355	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	53,627	-	230,907	-	-	-
Debt service - principal and interest	30,587	-	370,085	6,219,469	-	-
Capital outlay	75,867	-	1,131,944	-	1,355,750	-
Utility operating expenses	246,492	-	6,349,844	-	-	-
Other disbursements	630,173	2,228,025	6,629,305	2,100	-	68,321
Total disbursements	1,376,029	2,228,025	19,637,440	6,221,569	1,355,750	68,321
Excess (deficiency) of receipts over disbursements	57,426	24,454	(189,200)	(4,520)	(1,355,207)	(33,995)
Cash and investments - ending	\$ 686,000	\$ 24,454	\$ 5,932,234	\$ 391	\$ 457,953	\$ 6,690,841

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015
 (Continued)

	Water O&M	Water Utility-Bond And Interest	Water Utility-Construction	Water Hydrant Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 3,313,194	\$ 2,588	\$ 1,622,780	\$ 32,200	\$ 5,639,133	\$ 85,845,007
Receipts:						
Taxes	-	-	-	-	-	40,550,632
Licenses and permits	-	-	-	-	-	356,098
Intergovernmental receipts	-	-	-	-	-	21,705,423
Charges for services	-	-	-	-	-	20,034,298
Fines and forfeits	-	-	-	-	-	1,223,978
Utility fees	14,537,124	-	-	-	-	34,973,644
Other receipts	658,413	5,221,715	36,513	14,300	10,246	124,570,305
Total receipts	15,195,537	5,221,715	36,513	14,300	10,246	243,414,378
Disbursements:						
Personal services	2,848,584	-	-	-	-	49,138,168
Supplies	-	-	-	-	-	4,302,702
Other services and charges	187,161	-	-	-	-	30,092,821
Debt service - principal and interest	158,457	5,222,637	-	-	-	15,461,992
Capital outlay	251,605	-	1,132,692	-	-	6,218,014
Utility operating expenses	5,794,581	-	-	-	-	12,390,917
Other disbursements	6,361,204	1,244	-	10,650	28	75,696,751
Total disbursements	15,601,592	5,223,881	1,132,692	10,650	28	193,301,365
Excess (deficiency) of receipts over disbursements	(406,055)	(2,166)	(1,096,179)	3,650	10,218	50,113,013
Cash and investments - ending	\$ 2,907,139	\$ 422	\$ 526,601	\$ 35,850	\$ 5,649,351	\$ 135,958,020

CITY OF BLOOMINGTON
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2015

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Storm Water	\$ 1,845	\$ 56,869
Wastewater	504,568	463,997
Water	21,093	683,305
Governmental activities	<u>3,345,615</u>	<u>2,032,524</u>
Totals	<u>\$ 3,873,121</u>	<u>\$ 3,236,695</u>

CITY OF BLOOMINGTON
SCHEDULE OF LEASES AND DEBT
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Bank of New York	508 BMFC Showers Lease	\$ 630,500	8/1/2009	2/1/2021
Bank of New York	513 BMFC Street Lease	1,193,500	8/1/2009	2/1/2017
First Financial Equipment Finance LLC	Parking Meters F455	473,168	7/22/2013	7/22/2017
GE Capital 1025787-1019797A2	401 Copier Fire Dept	758	8/1/2012	6/1/2016
GE Capital 1025787-1019797A3	401 Copiers (2) Copy Center (color & P&t	3,784	1/2/2013	6/1/2016
Mercury LLC	7th & Morton F452	233,812	1/1/2004	11/1/2033
Sun Trust Equipment	2010 Master Equipment F610 & F200	27,265	4/20/2011	2/15/2016
Walnut LLC	7th & Walnut F452	436,866	3/1/2010	2/1/2031
Total governmental activities		<u>2,999,653</u>		
Storm Water:				
Public Finance	2014 Vehicle Capital Lease	<u>30,584</u>	11/21/2014	1/1/2020
Wastewater:				
Public Finance	2014 Vehicle Capital Lease	234,187	11/21/2014	1/1/2020
Suntrust Equipment Leasing and Finance	2013 Vehicle Capital Lease	<u>135,869</u>	6/1/2013	7/15/2018
Total Wastewater		<u>370,056</u>		
Water:				
Public Finance	2014 Vehicle Capital Lease	76,427	11/21/2014	1/1/2020
Suntrust Equipment Leasing and Finance	2013 Vehicle Capital Lease	<u>82,062</u>	6/1/2013	7/15/2018
Total Water		<u>158,489</u>		
Total of annual lease payments		<u>\$ 3,558,782</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	511 1998 Street Bond II	\$ 1,695,000	\$ 873,605
General obligation bonds	512 Golf Course Bond	990,000	267,412
General obligation bonds	516 2001 Parks Bond	820,000	432,442
General obligation bonds	201 TLRC Bond	5,595,000	539,104
Revenue bonds	439 Consolidated TIF	39,600,000	3,073,541
Revenue bonds	517 2011 Downtown Redevelopment Bond	<u>11,790,000</u>	<u>1,053,424</u>
Total governmental activities		<u>60,490,000</u>	<u>6,239,528</u>
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 2006 Series A-2	415,000	380,415
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2012 Series A	5,630,000	517,325
Revenue bonds	Sewage Works Revenue Bonds of 2012 Series B	3,655,000	1,261,160
Revenue bonds	Sewage Works Revenue Bonds of 2012 Series C	4,625,000	330,055
Revenue bonds	Sewage Works Refunding Revenue Bonds Series 2013	17,165,000	2,297,648
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2015 Series A	4,719,283	224,708
Notes and loans payable	2004 SRF (5 800 000)	3,665,000	401,260
Notes and loans payable	2006 SRF (3 552 000)	2,402,056	243,328
Notes and loans payable	2006 SRF (7 288 000)	<u>4,928,542</u>	<u>499,261</u>
Total Wastewater		<u>47,204,881</u>	<u>6,155,160</u>
Water:			
Revenue bonds	Waterworks Refunding Revenue Bonds of 2015	3,329,472	274,232
Revenue bonds	Waterworks Refunding Revenue Bonds of 2003	2,265,000	551,863
Revenue bonds	Waterworks Revenue Bond of 2011 Series B	33,655,000	1,968,375
Notes and loans payable	2000 SRF (10 850 000)	4,975,000	1,076,504
Notes and loans payable	2003 SRF (4 215 000)	1,831,000	294,493
Notes and loans payable	2003 SRF (7 885 000)	4,264,000	551,330
Notes and loans payable	2011 SRF (6 045 000)	<u>4,945,000</u>	<u>482,430</u>
Total Water		<u>55,264,472</u>	<u>5,199,227</u>
Totals		<u>\$ 162,959,353</u>	<u>\$ 17,593,915</u>

CITY OF BLOOMINGTON
SCHEDULE OF CAPITAL ASSETS
December 31, 2015

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.

	Ending Balance
Governmental activities:	
Land	\$ 138,732,088
Infrastructure	56,149,661
Buildings	60,873,952
Improvements other than buildings	32,732,488
Machinery, equipment, and vehicles	20,028,431
Construction in progress	<u>7,692,780</u>
Total governmental activities	<u>316,209,400</u>
Storm Water:	
Infrastructure	17,561,841
Machinery, equipment, and vehicles	197,379
Construction in progress	<u>243,632</u>
Total Storm Water	<u>18,002,852</u>
Wastewater:	
Land	1,029,932
Infrastructure	119,088,272
Buildings	6,783,370
Machinery, equipment, and vehicles	32,099,881
Construction in progress	<u>2,467,165</u>
Total Wastewater	<u>161,468,620</u>
Water:	
Land	1,437,571
Infrastructure	66,522,183
Buildings	28,307,453
Machinery, equipment, and vehicles	41,261,429
Construction in progress	<u>1,600,920</u>
Total Water	<u>139,129,556</u>
Total capital assets	<u><u>\$ 634,810,428</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF BLOOMINGTON, MONROE COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited the City of Bloomington's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2015. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)


Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 29, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared by management of the City. The schedule and notes are presented as intended by the City.

CITY OF BLOOMINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
Summer Food Service Program for Children 2015 Summer Food Service Program for Children 201-18--G15008	Indiana Department Education	10.559	CNP-SF-75305	\$ -	\$ 12,138
Total - Child Nutrition Cluster				-	12,138
Urban and Community Forestry Program 2014 Urban Forestry EAB - 201-18-G14003	IDNR Forestry	10.675	E9-14-UFGM2	-	12,500
Total - Department of Agriculture				-	24,638
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/Entitlement Grants	Direct grant	14.218			
CDBG 250-15-150000			B-13-MC-18013	343,679	430,035
CDBG 250-15-150000			B-14-MC-18013	452,915	526,847
CDBG 250-15-150000			B-15-MC-18013	73,454	136,832
Total - Community Development Block Grants/Entitlement Grants				870,048	1,093,714
Housing Counseling Assistance Program Housing Counseling 256-15-150002	Direct grant	14.169	HC14-0421-021	-	20,920
Shelter Plus Care Shelter Plus Care 256-15-150009	Direct grant	14.238	IN0048LSH021306	-	40,152
HOME Investment Partnerships Program	Direct grant	14.239			
HOME 254-15-150000			M-12-MC-18-0200	31,339	91,773
HOME 254-15-150000			M-13-MC-18-0200	173,000	273,963
HOME 254-15-150000			M-14-MC-18-0200	-	33,923
HOME 254-15-150000			M-15-MC-18-0200	-	17,744
Total - HOME Investment Partnerships Program				204,339	417,403
Total - Department of Housing and Urban Development				1,074,387	1,572,189
<u>JAG Program Cluster</u>					
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738			
2012 JAG Grant 101-14-G12009			2012-DJ-BX-0916	-	6,452
2014 JAG - 101-14-G14011			2014-DJ-BX-1130	-	28,826
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	35,278
Missing Children's Assistance	Indiana State Police	16.543			
2014 ICAC - 101-14-G14010			2014-MC-FX-K018	-	2,603
2013 ICAC 101-14-G14002			EDS#A2-14-100-014	-	2,250
Total - Missing Children's Assistance				-	4,853
Bulletproof Vest Partnership Program 2013 Bulletproof Vest Partnership - 249-14-G15004	Direct grant	16.607	2013	-	25,318
Total - Department of Justice				-	65,449

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF BLOOMINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Black Lumber Trail 439-15-159004			15806797	-	19,609
MPO FY15 101-13-130000			15808672	13,028	182,255
MPO FY16 101-13-130000			16803136	893	39,261
Total - Highway Planning and Construction				13,921	241,125
Total - Highway Planning and Construction Cluster				13,921	241,125
Highway Safety Cluster					
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600			
2015 OPO - 249-14-G15006			2015	24,866	29,587
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601			
2015 DUI & DUID Tahsforce 249-14-G15005			18x9204050IN15	12,143	12,353
Occupant Protection Incentive Grants	Indiana Criminal Justice Institute	20.602			
Civil Streets 2014-15 - 249-13-G15002 249-14-G15002			18x9204050IN15	-	16,523
Total - Highway Safety Cluster				37,010	58,463
Total - Department of Transportation				50,931	299,588
<u>National Endowment for the Humanities</u>					
Promotion of the Arts Partnership Agreements	Indian Arts Commission	45.025			
Arts Commission Operating - 403-02-020000			A154-4-CBGP20	-	980
2015 IAC Capacity Building 249-04-G15003			A154-4-CBGP20	-	3,000
Total - National Endowment for the Humanities				-	3,980
<u>Environmental Protection Agency</u>					
Brownfield Assessment and Cleanup Cooperative Agreements	Indiana Department of Emergency Management	66.818			
EPA Brownfield Assessment 101-04-G13012			BF00E01217-0	-	55,458
Total - Environmental Protection Agency				-	55,458
<u>Department of Education</u>					
Twenty-First Century Community Learning Centers	Monroe County Community School Corporation	84.287			
2014-15 MCCSC 21st Century Community Learning Center 201-18-G14007			EDS #A58-5-15 DL-2124	-	18,317
2015-16 MCCSC School Age Care 21St Community					
Learning Center 201-15-G15001			2016	-	10,924
Total - Department of Education				-	29,241
Total federal awards expended				\$ 1,125,317	\$ 2,050,543

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF BLOOMINGTON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF BLOOMINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiencies identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
14.218	Community Development Block Grants/Entitlement Grants	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

Section II - Financial Statement Findings

FINDING 2015-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Other Matters

This is a repeat finding from the immediate prior audit. The prior audit finding number was 2014-001.

Condition

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City relied on one employee to prepare the SEFA. There was no evidence of a control, such as an oversight, review, or approval process by the City to ensure federal awards information entered and submitted was correct.

CITY OF BLOOMINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

The SEFA contained the following errors:

1. The Community Development Block Grants/Entitlement Grants expenditures were understated by \$47,210.
2. The HOME Investment Partnerships Program Grants expenditures were overstated by \$1,756,671. The errors resulted in a net overstatement of federal expenditures of \$1,709,461.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

CITY OF BLOOMINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

The failure to establish controls enabled material misstatements of the SEFA to occur. The SEFA contained the errors identified in the *Condition*.

Recommendation

We recommended that the City's management establish controls to prevent, or detect and correct, errors on the SEFA.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



**JOHN HAMILTON
MAYOR**

CITY OF BLOOMINGTON

401 N Morton St
Post Office Box 100
Bloomington IN 47402

**JEFFREY H. UNDERWOOD
CONTROLLER**

CONTROLLER'S OFFICE

p 812.349.3416
f 812.349.3456
controller@bloomington.in.gov

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-001

Fiscal year in which the finding initially occurred: January 1, 2014-December 31, 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Jeffrey McMillian
Contact Phone Number: 812-349-3479

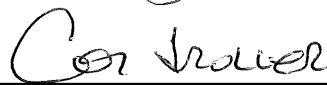
Status of Audit Finding:

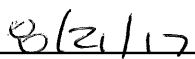
The Deputy Controller and Budgets & Grants Manager reviewed the revised schedule provided by the State Board of Accounts. They discussed the finding with the auditor and determined the underlying issues that resulted in the changes to the schedule.

Based on that information they developed a process to adapt the City's process to meet the Board of Accounts requirements for reporting. They then presented this information to the Controller for review and approval.

Controller Office personnel develop the Schedule of Expenditures of Federal Awards from information captured in the city's financial system. Once completed they met with each Department Head where the grant(s) originated and for their review, reconciliation and approval. The schedule may require adjustments to match the constructive receipt with the year in which it was actually intended and expenditures will be shown in the year they were actually reimbursed. In essence, this will reflect a modified accrual system whereas the City operates on a cash basis.


(Signature)


(Title)


(Date)



City of Bloomington
Housing and Neighborhood Development

August 7, 2017

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2014-002

Fiscal year in which the finding initially occurred: January 1, 2014 to December 31, 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Housing and Urban Development

Contact Person Responsible for Corrective Action: Doris Sims, Director

Contact Phone Number: (812)349-3594

Status of Audit Finding: Corrected

Doris Sims, Director



JOHN HAMILTON
MAYOR

CITY OF BLOOMINGTON

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CORRECTIVE ACTION PLAN

FINDING 2015-001

Contact Person Responsible for Corrective Action: Jeff McMillian & Doris Sims
Contact Phone Number: 812-349-3479 & 812-349-3594

Views of Responsible Official: We concur with the finding regarding the Preparation of the Schedule of Expenditures of Federal Awards.

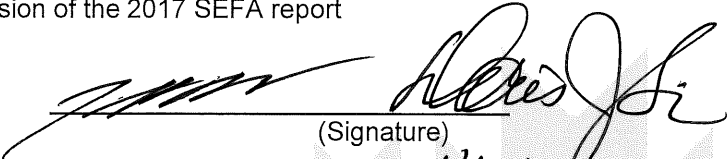
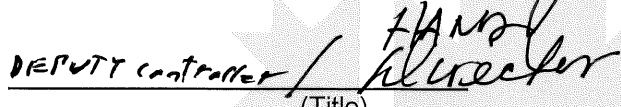
Description of Corrective Action Plan:

In regards to the Home Investment Partnerships Program, the amount reported was in fact correct however due to the incorrect placement of the decimal point the amount was overstated. This form is an online form located on the State's Gateway portal. The format of the form does not allow you to see the full number as inputted nor does the form show totals for any of the amounts entered. Due to the nature of the form, input errors of this type are easily made and not easily discovered. We will formally be asking the Department of Local Government Finance (DLGF) to make changes to the form that allows for the viewing of the full number during completion of the form as well as adding total lines for all columns on the form. In the meantime, we will add a review and confirmation process to manually confirm the amounts used to complete the form.

In regards to the Community Development Block Grants/Entitlement Grants, although the Schedule of Expenditures of Federal Awards (SEFA) report was reviewed with the Director prior to submission, there was not documentation of this interaction taking place.

A new system has been implemented which requires the financial staff person to prepare the Schedule of Expenditures of Federal Awards and the Director or the Assistant Director reviews for accuracy and sign that they have completed their review prior to the SEFA being forwarded to the Controller's Office.

Anticipated Completion Date: Completion and submission of the 2017 SEFA report


(Signature)

DEPUTY controller / Director
(Title)
8-29-17 8/29/17
(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.