

**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, 2017 to December 31, 2017



**FILED**  
12/28/2018



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Jeffery H. Underwood	01-01-17 to 12-31-18
Mayor	John Hamilton	01-01-16 to 12-31-19
President of the Board of Public Works	Kyla Cox Deckard	01-01-17 to 12-31-18
President of the Common Council	Susan Sandberg Dorothy Granger	01-01-17 to 12-31-17 01-01-18 to 12-31-18
Director of Utilities	Victor Kelson	01-01-17 to 12-31-18



**STATE OF INDIANA**  
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**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, 2017, 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 (IC 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, 2017.

***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, 2017, 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 November 13, 2018, 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 solely 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 effectiveness of the City's 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

November 13, 2018



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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, 2017, and the related notes to the financial statement, and have issued our report thereon dated November 13, 2018, 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 2017-001, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**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

November 13, 2018

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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, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
General	\$ 12,021,637	\$ 39,368,692	\$ 38,080,911	\$ 13,309,418
Motor Vehicle Highway	1,096,349	4,557,112	4,489,094	1,164,367
Local Road And Street	158,651	752,944	516,421	395,174
Parking Facilities	2,241,769	1,681,919	1,609,986	2,313,702
Crime Control	195,340	66,144	33,502	227,982
Parking Meter	1,608,381	2,452,545	1,797,444	2,263,482
Enhanced Access	5,439	315	-	5,754
Electronic Map Generation	8,072	134	1,406	6,800
Parks & Rec General	955,594	7,145,007	6,814,239	1,286,362
Rainy Day	4,658,566	38,114	-	4,696,680
LOIT Special Distribution	2,235,838	18,293	-	2,254,131
Cumulative Improvement (Cig)	198,537	195,538	314,555	79,520
Cumulative Cap Develop	1,036,354	2,530,176	1,516,058	2,050,472
RDC	66,195	52,356	25,750	92,801
Police Pension	1,206,492	1,245,373	1,259,467	1,192,398
Fire Pension	1,475,745	1,827,263	1,838,407	1,464,601
Debt Service Reserve For 440 TIF	1,075,186	165,062	1,240,248	-
Rental Inspection Program	63,991	298,907	300,000	62,898
2011 Downtown Redevelop Bond	-	528,512	528,512	-
Surplus CTP Bond	1,413,830	8,796	603,656	818,970
Grants Non Approp	1,389	107,773	117,007	(7,845)
IU Woodlawn Escrow	64,203	51,853	74,303	41,753
Consolidated TIF	20,153,504	10,174,477	8,344,714	21,983,267
Debt Services Reserve for 518	2,875,125	23,523	-	2,898,648
Consolidated TIF Bond Proceeds	38,942,548	308,695	3,533,766	35,717,477
Parks 2016 GO Bond Proceeds	7,069,994	55,630	816,954	6,308,670
City 2016 GO Bond Proceeds	10,775,402	190,633	3,393,528	7,572,507
Publi Safety LIT (9505)	-	4,432,638	3,411,691	1,020,947
2016 GO Bond #2 (S0182)	-	507,390	386,183	121,207
2016 Parks GO Bond #3(S0183)	-	319,307	245,529	73,778
2017 Refund 517 2011 DT Red Bond	-	454,942	454,942	-
Housing Trust Ord 17-03 (S9506)	-	1,411,848	-	1,411,848
Parks 2017 Refund Bond Proceeds (S9507)	-	101,967	84,270	17,697
Bloomington Technology Park	53,145	435	-	53,580
B-Line Ph2 DNR -Grant	67	-	-	67
Community Services	36,424	133,585	70,016	99,993
CDBG Escrow	11	-	-	11
Police Education	200,498	36,173	55,346	181,325
CDBG	(3)	814,936	814,478	455
Parks Non Reverting Operating	2,301,626	2,383,503	2,499,743	2,185,386
Bloomington Invest Incent	1,234	12,225	13,458	1
Affordable Housing	2,833	-	-	2,833
Rental Rehab	2,610	-	-	2,610
HOME	1,202	634,402	546,694	88,910
HAND Special Grants	77,018	36,467	35,475	78,010
Dispatch Training	81,595	550	5,643	76,502
Non Reverting Telecom	684,909	834,685	746,373	773,221

CITY OF BLOOMINGTON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
Restricted Donation	87,008	56,535	42,015	101,528
Municipal Arts	61,636	-	-	61,636
Arts Commission Operating	4,518	-	147	4,371
Non Reverting Econ Develop	16,600	-	-	16,600
Non Reverting Improve	247,390	13,458	260,848	-
Unsafe Housing	190,070	178,857	27,847	341,080
CTP Downtown	5,033,431	41,181	-	5,074,612
TIF Prow	529,769	95,269	47,408	577,630
Solid Waste	-	2,191,334	2,191,334	-
Petty Cash Accounts- City	18,800	58,100	58,700	18,200
Petty Cash Accounts- Utilities	400	-	-	400
Alternative Transportation	996,864	837,717	686,604	1,147,977
Downtown CRED	8,309,328	822,029	300,000	8,831,357
BMFC Showers	28,521	602,454	630,975	-
Police Station Lease	44,717	-	-	44,717
98 Street Bond	23,013	-	-	23,013
Golf Course Bond	9,227	260,767	269,994	-
BMFC 1998 Street Lease	-	600,000	600,000	-
Redevelopment Dis Bond 2000	55,986	-	-	55,986
2001 Parks Bond	212,290	206,277	411,075	7,492
Parks Land Acquisition	1,533	-	-	1,533
Fire Capital	8,908	-	-	8,908
Industrial Development	5,235,171	37,168	900,000	4,372,339
Vehicle Replacement	347,721	321,692	-	669,413
Risk Management	516,383	546,807	699,519	363,671
Fleet Maintenance	373,070	2,113,480	2,210,972	275,578
Rosehill Trust	54,337	445	-	54,782
Payroll	137,279	39,149,798	39,159,421	127,656
Health Insurance	4,184,620	12,110,147	9,997,898	6,296,869
Insurance Voluntary Trust	268,662	910,980	833,664	345,978
Unemployment Comp	208,017	-	25,058	182,959
Storm Water Utility- Operating	704,064	1,408,953	1,458,149	654,868
Payroll Utility	25,857	2,327,218	2,327,530	25,545
Wastewater Utility- Operating	6,237,700	22,269,952	19,923,009	8,584,643
Wastewater Util-Bond And Interest	2,419	6,253,400	6,254,329	1,490
Wastewater Utility- Construction	58,405	8,257,279	3,032,250	5,283,434
Wastewater Utility- Debt Reserve	6,700,068	38,940	1,012,707	5,726,301
Water O&M	2,532,469	17,282,001	18,095,613	1,718,857
Water Utility- Bond And Interest	199,767	5,261,139	5,458,794	2,112
Water Utility- Construction	455,175	4,313,427	1,648,654	3,119,948
Water Hydrant Deposit	39,700	16,200	11,200	44,700
Water Utility- Debt Reserve	5,665,048	357,475	-	6,022,523
Totals	<u>\$ 164,873,241</u>	<u>\$ 214,901,318</u>	<u>\$ 205,195,483</u>	<u>\$ 174,579,076</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 nonbusinesses 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.

*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,

CITY OF BLOOMINGTON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*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.

CITY OF BLOOMINGTON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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.

**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.

CITY OF BLOOMINGTON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 Deficit**

The financial statement contains a fund with a deficit in cash. This is a result of the fund being set up for reimbursable grants. The reimbursements for expenditures made by the City were not received by December 31, 2017.

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#### OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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, 2017

	General	Motor Vehicle Highway	Local Road And Street	Parking Facilities	Crime Control	Parking Meter	Enhanced Access
Cash and investments - beginning	\$ 12,021,637	\$ 1,096,349	\$ 158,651	\$ 2,241,769	\$ 195,340	\$ 1,608,381	\$ 5,439
Receipts:							
Taxes	32,036,622	-	-	-	-	-	-
Licenses and permits	331,102	-	-	-	-	-	-
Intergovernmental receipts	3,759,492	4,311,846	738,054	-	48,577	-	-
Charges for services	1,673,048	-	-	1,019,933	9,159	2,452,545	315
Fines and forfeits	404,520	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,163,908	245,266	14,890	661,986	8,408	-	-
Total receipts	39,368,692	4,557,112	752,944	1,681,919	66,144	2,452,545	315
Disbursements:							
Personal services	30,604,300	2,703,848	-	377,989	-	644,543	-
Supplies	918,223	489,845	-	76,461	-	33,242	-
Other services and charges	3,796,839	827,789	516,421	373,359	33,502	499,515	-
Debt service - principal and interest	-	-	-	661,986	-	473,169	-
Capital outlay	1,155,789	341,246	-	60,781	-	87,000	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,605,760	126,366	-	59,410	-	59,975	-
Total disbursements	38,080,911	4,489,094	516,421	1,609,986	33,502	1,797,444	-
Excess (deficiency) of receipts over disbursements	1,287,781	68,018	236,523	71,933	32,642	655,101	315
Cash and investments - ending	\$ 13,309,418	\$ 1,164,367	\$ 395,174	\$ 2,313,702	\$ 227,982	\$ 2,263,482	\$ 5,754

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	Electronic Map Generation	Parks & Rec General	Rainy Day	LOIT Special Distribution	Cumulative Improvement (Cig)	Cumulative Cap Develop	RDC
Cash and investments - beginning	\$ 8,072	\$ 955,594	\$ 4,658,566	\$ 2,235,838	\$ 198,537	\$ 1,036,354	\$ 66,195
Receipts:							
Taxes	-	5,688,995	-	-	-	1,641,660	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	388,110	-	-	195,538	864,675	-
Charges for services	134	1,067,902	-	-	-	-	51,749
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	38,114	18,293	-	23,841	607
Total receipts	134	7,145,007	38,114	18,293	195,538	2,530,176	52,356
Disbursements:							
Personal services	-	4,550,584	-	-	-	-	-
Supplies	-	468,103	-	-	124,555	362,370	-
Other services and charges	1,406	1,311,448	-	-	-	186,401	25,750
Debt service - principal and interest	-	1,500	-	-	-	-	-
Capital outlay	-	157,000	-	-	-	467,287	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	325,604	-	-	190,000	500,000	-
Total disbursements	1,406	6,814,239	-	-	314,555	1,516,058	25,750
Excess (deficiency) of receipts over disbursements	(1,272)	330,768	38,114	18,293	(119,017)	1,014,118	26,606
Cash and investments - ending	\$ 6,800	\$ 1,286,362	\$ 4,696,680	\$ 2,254,131	\$ 79,520	\$ 2,050,472	\$ 92,801

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	Police Pension	Fire Pension	Debt Service Reserve For 440 TIF	Rental Inspection Program	2011 Downtown Redevelop Bond	Surplus CTP Bond	Grants Non Approp
Cash and investments - beginning	\$ 1,206,492	\$ 1,475,745	\$ 1,075,186	\$ 63,991	\$ -	\$ 1,413,830	\$ 1,389
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	270,241	-	-	-
Intergovernmental receipts	1,234,257	1,816,034	-	-	-	-	70,845
Charges for services	-	-	-	28,666	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	11,116	11,229	165,062	-	528,512	8,796	36,928
Total receipts	1,245,373	1,827,263	165,062	298,907	528,512	8,796	107,773
Disbursements:							
Personal services	3,983	3,726	-	-	-	-	41,675
Supplies	-	120	-	-	-	-	31,779
Other services and charges	1,255,484	1,834,561	1,220,882	-	-	603,656	43,553
Debt service - principal and interest	-	-	-	-	528,512	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	19,366	300,000	-	-	-
Total disbursements	1,259,467	1,838,407	1,240,248	300,000	528,512	603,656	117,007
Excess (deficiency) of receipts over disbursements	(14,094)	(11,144)	(1,075,186)	(1,093)	-	(594,860)	(9,234)
Cash and investments - ending	\$ 1,192,398	\$ 1,464,601	\$ -	\$ 62,898	\$ -	\$ 818,970	\$ (7,845)



CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	IU Woodlawn Escrow	Consolidated TIF	Debt Services Reserve for 518	Consolidated TIF Bond Proceeds	Parks 2016 GO Bond Proceeds	City 2016 GO Bond Proceeds	Publi Safety LIT (9505)
Cash and investments - beginning	\$ 64,203	\$ 20,153,504	\$ 2,875,125	\$ 38,942,548	\$ 7,069,994	\$ 10,775,402	\$ -
Receipts:							
Taxes	-	9,489,846	-	-	-	-	2,977,340
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	529,448	-	-	-	111,357	1,455,298
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	51,853	155,183	23,523	308,695	55,630	79,276	-
Total receipts	51,853	10,174,477	23,523	308,695	55,630	190,633	4,432,638
Disbursements:							
Personal services	-	-	-	-	-	-	1,709,493
Supplies	-	-	-	-	-	-	120,056
Other services and charges	74,303	3,846,447	-	2,737,566	107,468	113,975	288,825
Debt service - principal and interest	-	2,272,193	-	-	-	-	-
Capital outlay	-	-	-	796,200	709,486	3,279,553	1,293,317
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	2,226,074	-	-	-	-	-
Total disbursements	74,303	8,344,714	-	3,533,766	816,954	3,393,528	3,411,691
Excess (deficiency) of receipts over disbursements	(22,450)	1,829,763	23,523	(3,225,071)	(761,324)	(3,202,895)	1,020,947
Cash and investments - ending	\$ 41,753	\$ 21,983,267	\$ 2,898,648	\$ 35,717,477	\$ 6,308,670	\$ 7,572,507	\$ 1,020,947

CITY OF BLOOMINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	2016 GO Bond #2 (S0182)	2016 Parks GO Bond #3(S0183)	2017 Refund 517 2011 DT Red Bond	Housing Trust Ord 17-03 (S9506)	Parks 2017 Refund Bond Proceeds (S9507)	Bloomington Technology Park
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 53,145
Receipts:						
Taxes	476,198	299,643	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	31,192	19,664	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	454,942	1,411,848	101,967	435
Total receipts	507,390	319,307	454,942	1,411,848	101,967	435
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	4,000	2,500	-	-	84,270	-
Debt service - principal and interest	382,183	243,029	454,942	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	386,183	245,529	454,942	-	84,270	-
Excess (deficiency) of receipts over disbursements	121,207	73,778	-	1,411,848	17,697	435
Cash and investments - ending	\$ 121,207	\$ 73,778	\$ -	\$ 1,411,848	\$ 17,697	\$ 53,580

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	B-Line Ph2 DNR -Grant	Community Services	CDBG Escrow	Police Education	CDBG	Parks Non Reverting Operating	Bloomington Invest Incent
Cash and investments - beginning	\$ 67	\$ 36,424	\$ 11	\$ 200,498	\$ (3)	\$ 2,301,626	\$ 1,234
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	25,900	-	-	811,784	287,433	-
Charges for services	-	-	-	33,088	-	2,086,742	-
Fines and forfeits	-	-	-	3,085	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	107,685	-	-	3,152	9,328	12,225
Total receipts	-	133,585	-	36,173	814,936	2,383,503	12,225
Disbursements:							
Personal services	-	-	-	-	114,664	493,857	-
Supplies	-	6,186	-	-	5,027	311,660	-
Other services and charges	-	63,830	-	55,346	694,787	1,132,213	-
Debt service - principal and interest	-	-	-	-	-	539,880	-
Capital outlay	-	-	-	-	-	22,133	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	13,458
Total disbursements	-	70,016	-	55,346	814,478	2,499,743	13,458
Excess (deficiency) of receipts over disbursements	-	63,569	-	(19,173)	458	(116,240)	(1,233)
Cash and investments - ending	\$ 67	\$ 99,993	\$ 11	\$ 181,325	\$ 455	\$ 2,185,386	\$ 1

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	Affordable Housing	Rental Rehab	HOME	HAND Special Grants	Dispatch Training	Non Reverting Telecom	Restricted Donation
Cash and investments - beginning	\$ 2,833	\$ 2,610	\$ 1,202	\$ 77,018	\$ 81,595	\$ 684,909	\$ 87,008
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	833,660	-
Intergovernmental receipts	-	-	533,139	32,253	-	-	-
Charges for services	-	-	-	1,000	-	-	-
Fines and forfeits	-	-	-	-	550	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	101,263	3,214	-	1,025	56,535
Total receipts	-	-	634,402	36,467	550	834,685	56,535
Disbursements:							
Personal services	-	-	36,509	10,994	-	-	2,697
Supplies	-	-	-	-	-	2,518	18,282
Other services and charges	-	-	510,185	24,481	5,643	552,892	21,036
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	190,963	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	546,694	35,475	5,643	746,373	42,015
Excess (deficiency) of receipts over disbursements	-	-	87,708	992	(5,093)	88,312	14,520
Cash and investments - ending	\$ 2,833	\$ 2,610	\$ 88,910	\$ 78,010	\$ 76,502	\$ 773,221	\$ 101,528

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	Municipal Arts	Arts Commission Operating	Non Reverting Econ Develop	Non Reverting Improve	Unsafe Housing	CTP Downtown	TIF Prow
Cash and investments - beginning	\$ 61,636	\$ 4,518	\$ 16,600	\$ 247,390	\$ 190,070	\$ 5,033,431	\$ 529,769
Receipts:							
Taxes	-	-	-	-	-	-	90,782
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	178,857	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	13,458	-	41,181	4,487
Total receipts	-	-	-	13,458	178,857	41,181	95,269
Disbursements:							
Personal services	-	-	-	-	15,557	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	147	-	260,848	12,290	-	47,408
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	147	-	260,848	27,847	-	47,408
Excess (deficiency) of receipts over disbursements	-	(147)	-	(247,390)	151,010	41,181	47,861
Cash and investments - ending	\$ 61,636	\$ 4,371	\$ 16,600	\$ -	\$ 341,080	\$ 5,074,612	\$ 577,630

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	Solid Waste	Petty Cash Accounts- City	Petty Cash Accounts- Utilities	Alternative Transportation	Downtown CRED	BMFC Showers	Police Station Lease
Cash and investments - beginning	\$ -	\$ 18,800	\$ 400	\$ 996,864	\$ 8,309,328	\$ 28,521	\$ 44,717
Receipts:							
Taxes	-	-	-	-	-	602,454	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	750,000	-	-
Charges for services	780,812	-	-	124,444	-	-	-
Fines and forfeits	50	-	-	213,231	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,410,472	58,100	-	500,042	72,029	-	-
Total receipts	2,191,334	58,100	-	837,717	822,029	602,454	-
Disbursements:							
Personal services	1,574,318	-	-	118,661	-	-	-
Supplies	76,779	-	-	4,236	-	-	-
Other services and charges	540,237	-	-	40,432	300,000	1,475	-
Debt service - principal and interest	-	-	-	-	-	629,500	-
Capital outlay	-	-	-	462,508	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	58,700	-	60,767	-	-	-
Total disbursements	2,191,334	58,700	-	686,604	300,000	630,975	-
Excess (deficiency) of receipts over disbursements	-	(600)	-	151,113	522,029	(28,521)	-
Cash and investments - ending	\$ -	\$ 18,200	\$ 400	\$ 1,147,977	\$ 8,831,357	\$ -	\$ 44,717

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	98 Street Bond	Golf Course Bond	BMFC 1998 Street Lease	Redevelopment Dis Bond 2000	2001 Parks Bond	Parks Land Acquisition	Fire Capital
Cash and investments - beginning	\$ 23,013	\$ 9,227	\$ -	\$ 55,986	\$ 212,290	\$ 1,533	\$ 8,908
Receipts:							
Taxes	-	-	-	-	193,619	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	12,658	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	260,767	600,000	-	-	-	-
Total receipts	-	260,767	600,000	-	206,277	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	750	-	-	-	-	-
Debt service - principal and interest	-	269,244	600,000	-	411,075	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	269,994	600,000	-	411,075	-	-
Excess (deficiency) of receipts over disbursements	-	(9,227)	-	-	(204,798)	-	-
Cash and investments - ending	\$ 23,013	\$ -	\$ -	\$ 55,986	\$ 7,492	\$ 1,533	\$ 8,908

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	Industrial Development	Vehicle Replacement	Risk Management	Fleet Maintenance	Rosehill Trust	Payroll	Health Insurance
Cash and investments - beginning	\$ 5,235,171	\$ 347,721	\$ 516,383	\$ 373,070	\$ 54,337	\$ 137,279	\$ 4,184,620
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	543,534	1,547,783	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	37,168	321,692	3,273	565,697	445	39,149,798	12,110,147
Total receipts	37,168	321,692	546,807	2,113,480	445	39,149,798	12,110,147
Disbursements:							
Personal services	-	-	227,431	715,088	-	-	-
Supplies	-	-	40,552	1,172,907	-	-	-
Other services and charges	900,000	-	431,536	138,279	-	-	9,997,898
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	184,698	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	39,159,421	-
Total disbursements	900,000	-	699,519	2,210,972	-	39,159,421	9,997,898
Excess (deficiency) of receipts over disbursements	(862,832)	321,692	(152,712)	(97,492)	445	(9,623)	2,112,249
Cash and investments - ending	\$ 4,372,339	\$ 669,413	\$ 363,671	\$ 275,578	\$ 54,782	\$ 127,656	\$ 6,296,869



CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	Insurance Voluntary Trust	Unemployment Comp	Storm Water Utility- Operating	Payroll Utility	Wastewater Utility- Operating	Wastewater Util-Bond And Interest	Wastewater Utility- Construction
Cash and investments - beginning	\$ 268,662	\$ 208,017	\$ 704,064	\$ 25,857	\$ 6,237,700	\$ 2,419	\$ 58,405
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	1,351,478	-	22,215,676	-	-
Other receipts	910,980	-	57,475	2,327,218	54,276	6,253,400	8,257,279
Total receipts	910,980	-	1,408,953	2,327,218	22,269,952	6,253,400	8,257,279
Disbursements:							
Personal services	-	-	392,805	-	5,008,859	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	833,664	25,058	28,002	-	92,845	-	-
Debt service - principal and interest	-	-	30,580	-	370,015	6,251,129	-
Capital outlay	-	-	336,905	-	1,041,802	-	2,485,839
Utility operating expenses	-	-	211,759	-	6,530,689	-	-
Other disbursements	-	-	458,098	2,327,530	6,878,799	3,200	546,411
Total disbursements	833,664	25,058	1,458,149	2,327,530	19,923,009	6,254,329	3,032,250
Excess (deficiency) of receipts over disbursements	77,316	(25,058)	(49,196)	(312)	2,346,943	(929)	5,225,029
Cash and investments - ending	\$ 345,978	\$ 182,959	\$ 654,868	\$ 25,545	\$ 8,584,643	\$ 1,490	\$ 5,283,434

CITY OF BLOOMINGTON  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

	Wastewater Utility- Debt Reserve	Water O&M	Water Utility- Bond And Interest	Water Utility- Construction	Water Hydrant Deposit	Water Utility- Debt Reserve	Totals
Cash and investments - beginning	\$ 6,700,068	\$ 2,532,469	\$ 199,767	\$ 455,175	\$ 39,700	\$ 5,665,048	\$ 164,873,241
Receipts:							
Taxes	-	-	-	-	-	-	53,497,159
Licenses and permits	-	-	-	-	-	-	1,435,003
Intergovernmental receipts	-	-	-	-	-	-	18,027,554
Charges for services	-	-	-	-	-	-	11,420,854
Fines and forfeits	-	-	-	-	-	-	800,293
Utility fees	-	15,534,351	-	-	-	-	39,101,505
Other receipts	38,940	1,747,650	5,261,139	4,313,427	16,200	357,475	90,618,950
Total receipts	38,940	17,282,001	5,261,139	4,313,427	16,200	357,475	214,901,318
Disbursements:							
Personal services	-	2,915,639	-	-	-	-	52,267,220
Supplies	-	-	-	-	-	-	4,262,901
Other services and charges	-	80,864	-	-	-	-	36,582,066
Debt service - principal and interest	-	158,534	5,456,844	-	-	-	19,734,315
Capital outlay	-	1,804,902	-	824,585	-	-	15,701,994
Utility operating expenses	-	6,346,248	-	-	-	-	13,088,696
Other disbursements	1,012,707	6,789,426	1,950	824,069	11,200	-	63,558,291
Total disbursements	1,012,707	18,095,613	5,458,794	1,648,654	11,200	-	205,195,483
Excess (deficiency) of receipts over disbursements	(973,767)	(813,612)	(197,655)	2,664,773	5,000	357,475	9,705,835
Cash and investments - ending	\$ 5,726,301	\$ 1,718,857	\$ 2,112	\$ 3,119,948	\$ 44,700	\$ 6,022,523	\$ 174,579,076

CITY OF BLOOMINGTON  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2017

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Storm Water	\$ 819	\$ 79,885
Wastewater	271,037	732,418
Water	140,693	1,070,894
Governmental activities	<u>12,259,133</u>	<u>365,732</u>
Totals	<u>\$ 12,671,682</u>	<u>\$ 2,248,929</u>

CITY OF BLOOMINGTON  
SCHEDULE OF LEASES AND DEBT  
December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Bank of America	2017 ESG Solar (City/Utility split)	\$ 447,615	12/30/2018	10/30/2037
Bank of New York	508 BMFC Showers Lease	627,500	8/1/2009	2/1/2021
Mercury LLC	7th & Morton F452	436,116	1/1/2004	11/1/2033
Walnut LLC	7th & Walnut F452	233,808	3/1/2010	2/1/2031
Total governmental activities		1,745,039		
Storm Water:				
Public Finance	2014 Vehicle Capital Lease	30,578	11/21/2014	1/1/2020
Wastewater:				
Public Finance	2014 Vehicle Capital Lease	234,130	11/21/2014	1/1/2020
Suntrust Equipment Leasing and Finance	2013 Vehicle Capital Lease	135,873	6/1/2013	7/15/2018
Total Wastewater		370,003		
Water:				
Public Finance	2014 Vehicle Capital Lease	76,490	11/21/2014	1/1/2020
Suntrust Equipment Leasing and Finance	2013 Vehicle Capital Lease	82,058	6/1/2013	7/15/2018
Total Water		158,548		
Total of annual lease payments		\$ 2,304,168		

Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	201 TLRC Bond Refunded 2017	\$ 4,900,000	\$ 671,945
General obligation bonds	512 Golf Course Bond	510,000	265,083
General obligation bonds	520 Parks General Obligation Bond Series 2016	7,055,000	473,944
Revenue bonds	521 2017 Refund of Redevelopment District Tax Increment Revenue Bonds of 2011 (517)	10,660,000	905,586
Revenue bonds	519 General Obligation Bonds Series 2016	10,710,000	748,626
Revenue bonds	439 Consolidated TIF	39,415,000	2,841,795
Total governmental activities		73,250,000	5,906,979
Wastewater:			
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2012 Series A	4,600,000	518,325
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2015 Series A	4,069,000	569,352
Revenue bonds	Sewage Works Refunding Revenue Bonds Series 2013	11,020,000	2,321,156
Revenue bonds	Sewage Works Revenue Bonds of 2012 Series C	4,035,000	330,936
Revenue bonds	Sewage Works Revenue Bonds of 2017	6,795,000	455,000
Notes and loans payable	2004 SRF (5 800 000)	2,797,000	406,216
Notes and loans payable	2006 SRF (3 552 000)	1,886,962	246,094
Notes and loans payable	2006 SRF (7 288 000)	3,871,672	504,936
Total Wastewater		39,074,634	5,352,015
Water:			
Revenue bonds	Waterworks Refunding Revenue Bonds of 2003	1,075,000	567,638
Revenue bonds	Waterworks Refunding Revenue Bonds of 2015	2,745,700	382,739
Revenue bonds	Waterworks Revenue Bond of 2011 Series B	31,940,000	1,961,625
Revenue bonds	Waterworks Revenue Bonds of 2017	4,515,000	296,394
Notes and loans payable	2000 SRF (10 850 000)	3,070,000	1,075,867
Notes and loans payable	2003 SRF (4 215 000)	1,351,000	294,521
Notes and loans payable	2003 SRF (7 885 000)	3,422,000	551,313
Notes and loans payable	2011 SRF (6 045 000)	4,330,000	484,205
Total Water		52,448,700	5,614,302
Totals		\$ 164,773,334	\$ 16,873,296

CITY OF BLOOMINGTON  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2017

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	\$ 142,242,537
Infrastructure	67,619,890
Buildings	62,073,259
Improvements other than buildings	34,276,705
Machinery, equipment, and vehicles	22,322,807
Construction in progress	<u>16,724,185</u>
Total governmental activities	<u>345,259,383</u>
Storm Water:	
Infrastructure	17,802,253
Machinery, equipment, and vehicles	197,379
Construction in progress	<u>440,537</u>
Total Storm Water	<u>18,440,169</u>
Wastewater:	
Land	1,029,932
Infrastructure	121,187,408
Buildings	6,783,370
Machinery, equipment, and vehicles	33,592,513
Construction in progress	<u>3,700,639</u>
Total Wastewater	<u>166,293,862</u>
Water:	
Land	1,437,571
Infrastructure	68,755,322
Buildings	28,478,038
Machinery, equipment, and vehicles	41,783,740
Construction in progress	<u>2,369,575</u>
Total Water	<u>142,824,246</u>
Total capital assets	<u><u>\$ 672,817,660</u></u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

**Report on Compliance for Each 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 each of its major federal programs for the year ended December 31, 2017. The City's major federal programs are 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 each of the City's major federal programs 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 each major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Each 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 each of its major federal programs for the year ended December 31, 2017.



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each 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 and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2017-002, that we consider to be a material weakness.

The City's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

November 13, 2018

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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 approved 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, 2017

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	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
Summer Food Service Program for Children	Indiana Department of Education	10.559	2017	\$ -	\$ 16,027
Total - Child Nutrition Cluster				-	16,027
Urban and Community Forestry Program	Indiana Department of Natural Resources	10.675	EDS E9-16-UFA6; 300 FR-100CUF2	-	12,000
Urban Forestry Assistance				-	
Total - Department of Agriculture				-	28,027
<u>Department of Housing and Urban Development</u>					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants	Direct grant	14.218			
CDBG			B-14-MC-180013	-	17,994
CDBG			B-15-MC-180013	-	151,425
CDBG			B-16-MC-180013	56,226	489,822
CDBG			B-17-MC-180013	94,120	155,382
Total - CDBG - Entitlement Grants Cluster				150,346	814,623
Housing Counseling Assistance Program	Direct grant	14.169			
Housing Counseling			HC160421015	-	9,997
Shelter Plus Care	Direct grant	14.238			
Shelter Plus Care			IN0048L5H021508	15,690	22,256
Home Investment Partnerships Program	Direct grant	14.239			
HOME			M-13-MC-18-0200	18,996	39,272
HOME			M-14-MC-18-0200	19,902	259,759
HOME			M-15-MC-18-0200	-	179,520
HOME			M-16-MC-18-0200	1,506	57,076
HOME			M-17-MC-18-0200	-	10,345
Total - Home Investment Partnerships Program				40,404	545,972
Total - Department of Housing and Urban Development				206,440	1,392,848
<u>Department of Justice</u>					
Missing Children's Assistance	Indiana State Police	16.543			
2014 ICAC			2014 ICAC 101-14-G14010	-	2,249
2015 ICAC			2015 ICAC 249-14-G16012	-	10,000
2016 ICAC			2016 ICAC 249-14-G17003	-	7,709
Total - Department of Justice				-	19,958
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Wapecani Trail			DES 1400692	-	233,543
Multi Path Black Lumber Trail Henderson to Winslow			DES 1500384	-	45,664
17th/Arlington/Monroe			DES 0900216	-	319,889
Black Lumber Trail			DES 1382429	-	41,686
17th & Jordan			DES 0901710	-	64,231
Traffic Signal Modernization			DES 1592270	-	101,388
N Dunn St. & Old State Rd 37			DES 1297060	-	130,100
MPO FY17			DES 1601130	-	157,877
Tapp Rd Intersection Improvement			DES 0901730	-	278,266
Curb Ramps			DES 1400166	-	46,128
Bike Ped Facility 2nd/Bloomfield Rd			DES 1601851	-	71,660
Multi Path Winslow Henderson to Highland			DES 1500383	-	28,323
Bike Ped Facility E Rodgers & Jackson Creek Bridge			DES 1500382	-	37,371
Total - Highway Planning and Construction Cluster				-	1,556,126
Highway Safety Cluster					
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600			
2017 Civil Streets			EDS# D3-17-11211	-	1,029
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601			
2017 DUI			EDS# D3-17-11160	5,354	7,006
National Priority Safety Programs	Indiana Criminal Justice Institute	20.616			
2017 OPO			EDS# D3-17-11057	28,348	40,694
Total - Highway Safety Cluster				33,703	48,729
Total - Department of Transportation				33,703	1,604,855
<u>Environmental Protection Agency</u>					
Brownfields Assessment and Cleanup Cooperative Agreements	Direct grant	66.818			
Bloomington Wide Brownfields			00E02280	-	408
Total - Environmental Protection Agency				-	408
<u>Department of Education</u>					
Twenty-First Century Community Learning Centers	Monroe County Community School Corporation	84.287			
2016-2017 MCCSC 21st Century Community Learning Center			201-18-G160210	-	21,410
Total - Department of Education				-	21,410
<u>Corporation for National and Community Service</u>					
AmeriCorps	Indiana Department of Workforce Development	94.006			
Serve Indiana: Capacity Building			16CAHIN001/ 16153	-	15,900
Serve Indiana MLK Grant			DS5903	5,000	5,000
Total - AmeriCorps				5,000	20,900
Total - Corporation for National and Community Service				5,000	20,900
Total federal awards expended				\$ 245,143	\$ 3,088,406

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, 2017. 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 weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
14.239	Highway Planning and Construction Cluster	Unmodified
	Home Investment Partnerships Program	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 2017-001**

Subject: Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Condition*

There were deficiencies in the internal control system of the City related to financial transactions and reporting.

Bank reconciliements were performed by one employee without any documented oversight or review by another person.

*Context*

The lack of controls was a systemic problem during the audit period.

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

*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. . . ."

*Cause*

Management of the City had not established a proper system of internal control that segregated key functions.

*Effect*

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

*Recommendation*

We recommended that the City establish a system of internal controls related to financial transactions and reporting over bank reconciliations.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2017-002**

Subject: Highway Planning and Construction Cluster - Internal Controls

Federal Agency: Department of Transportation

Federal Program: Highway Planning and Construction

CFDA Number: 20.205

Federal Award Numbers and Years (or Other Identifying Numbers): DES 1382429, DES 1592270,  
DES 1500384, DES 1500383,  
DES 1500382, DES 1400166,  
DES 1297060, DES 0901730,  
DES 1601130, DES 0900216,  
DES 0901710, DES 1601851,  
DES 1400692

Pass-Through Entity: Indiana Department of Transportation

Compliance Requirements: Cash Management; Matching, Level of Effort,  
Earmarking; Period of Performance

Audit Finding: Material Weakness

*Condition*

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the cash management, matching, and period of performance requirements.

*Cash Management*

For each vendor invoice received, an LPA Voucher was filled out and submitted to the Indiana Department of Transportation (INDOT) for reimbursement. There was supporting documentation attached to the LPA Voucher, which included the date of the payment to the vendor. There was not any auditable review of this document by another individual presented for audit.

*Matching*

For each vendor invoice received, an LPA Voucher was filled out and submitted to INDOT showing the matching percentage and the amount to be covered by local funds. There was not any auditable review of this document by another individual presented for audit.

*Period of Performance*

For each invoice received, an LPA Voucher was filled out and submitted to INDOT for reimbursement. This voucher showed the dates covered by the claims. There was not any auditable review of this document by another individual presented for audit.

*Context*

The lack of controls was a systemic issue throughout the audit period. None of the LPA Vouchers submitted for audit showed evidence of review.



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

*Criteria*

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

*Cause*

Management had not developed a system of internal controls that segregated key functions.

*Effect*

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirements.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish controls related to the grant agreement and the compliance requirements listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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#### AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is 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

FINDING 2017-001

Contact Person Responsible for Corrective Action: Jeffrey Underwood  
Contact Phone Number: (812)349-3412

Views of Responsible Official:

We agree that the actual reconciliations were not signed by the Controller. We would like to note that they were reviewed by the Controller by opening the file and reviewing. This has been the practice for the last two fiscal years. In addition, all accounts were reconciled. These items being noted we have taken the advice of the Board of Accounts staff as noted below.

Description of Corrective Action Plan:

Deputy Controller will reconcile accounts and once completed will print out for review by the Controller. The Controller will sign the reconciliation cover sheet for each bank account.

Anticipated Completion Date: October 31, 2018

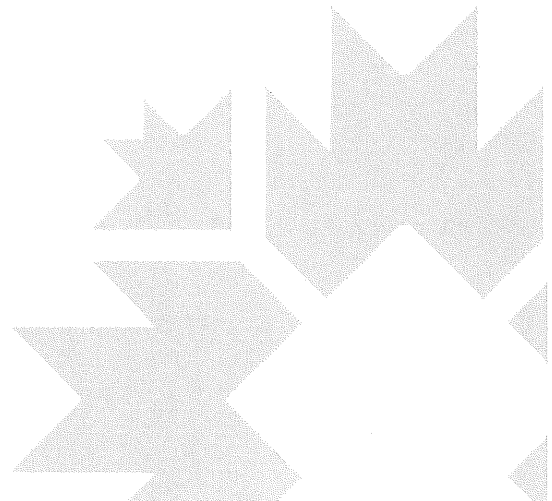
  
(Signature)

Controller

\_\_\_\_\_  
(Title)

November 13, 2018

\_\_\_\_\_  
(Date)





**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

FINDING 2017-002

Contact Person Responsible for Corrective Action: Jeffrey McMillian & Terri Porter  
Contact Phone Number: (812)349-3412

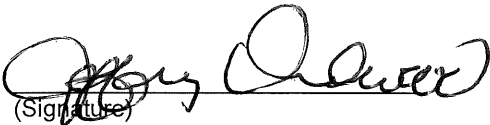
Views of Responsible Official:

We agree that there was no apparent review by a second individual. However we would like to note that the State's online system does not allow for more than one user or verification by a second person. These items being noted we have taken the advice of the Board of Accounts staff as noted below.

Description of Corrective Action Plan:

The Planning & Transportation staff member responsible for submitting the reimbursement request via the State's online system will print out the reimbursement request for review by a supervisor in the department. The supervisor will review and sign the cover sheet for each reimbursement request. The staff member will then submit the reimbursement request.

Anticipated Completion Date: October 31, 2018

  
(Signature)

Controller

\_\_\_\_\_  
(Title)

November 13, 2018

\_\_\_\_\_  
(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/>.