

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

AUDIT REPORT
OF

CITY OF BLOOMINGTON
FIREFIGHTERS PENSION
MONROE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



FILED
09/23/2008

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Firefighters Pension Secretary	Roger Kerr Travis Drescher	01-01-07 to 12-26-07 12-27-07 to 12-31-08
Controller	Susan Clark Michael Trexler	01-01-07 to 05-04-08 05-05-08 to 12-31-08
Mayor	Mark Kruzan	01-01-04 to 12-31-11
President of the Board of Public Works	Beth Hollingsworth Charlotte Zietlow	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Common Council	David Rollo Susan Sandberg	01-01-07 to 12-31-07 01-01-08 to 12-31-08



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TO: THE OFFICIALS OF THE CITY OF BLOOMINGTON

We have audited the records of the City of Bloomington Firefighters Pension for the period from January 1, 2007 to December 31, 2007, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Result and Comment. The financial transactions of this office are reflected in the Comprehensive Annual Financial Report of the City of Bloomington, Monroe County, for the year 2007.

STATE BOARD OF ACCOUNTS

June 20, 2008

CITY OF BLOOMINGTON
FIREFIGHTERS PENSION
AUDIT RESULT AND COMMENT

CONDITION OF RECORDS

Financial records presented by the Pension Secretary for audit were incomplete and not reflective of the activity of the Firefighters Pension Fund. The pension records did not balance to the Controller's office ledgers. The differences included the following: membership assessments were over-recorded by one pay period. Other reimbursements and interest were both under-recorded.

The salaries line item was under-recorded by the Medicare employer share. The greatest concern was the recording of pension benefits to retirees. Two payrolls were run every month in the Controller's office for the pension benefits. One payroll included a single individual. The other payroll was the sum of the rest of the pension members. The total of the two payrolls was the same as the pension payment claim turned in to the Controller's office. When recording the amount for payroll, the pension records did not include the single individual's payroll. A review of the records showed the single individual's total payments for the year were the exact difference between the pension records and Controller's ledger for pension benefits to retirees.

The Pension Secretary should record the amounts turned in to the Controller's office on the pension payment claim in the Firefighters Pension Fund records. The pension records should be balanced to the Controller's ledger. Any differences should be investigated by the pension secretary and corrections should be made if necessary.

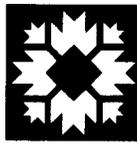
At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF BLOOMINGTON
FIREFIGHTERS PENSION
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2008, with Mark Kruzan, Mayor; Michael Trexler, Controller; Kevin Robling, Corporate Counsel; and Jeff McMillian, Deputy Controller. The official response has been made a part of this report and may be found on page 6.

The contents of this report were discussed on August 26, 2008, with Travis Drescher, Firefighters Pension Secretary.



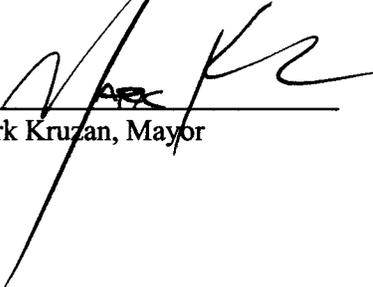
**City of Bloomington
Office of the Controller**

Response to the Fire Pension 2007 Audit Report

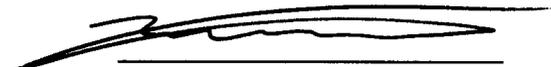
Condition of records

SBA Comments: The Fire Pension Secretary was not balancing his ledger with the City's financial system. This led to the omission of one pension member each month for the year. Member assessments were over recorded by one pay period. Salary line items were under recorded by the Medicare employer share. Two separate pays were processed each month for the fire pension and only one was recorded in the fire pension ledger.

City Action: The Pension Secretary now balances each payroll with the Controller's Office, comparing the current period with the previous months and ensuring that all activity is recorded properly. Any discrepancies are brought to the attention of the Pension Secretary to be reconciled.



Mark Kruzan, Mayor



Mike Trexler, City Controller