



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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January 11, 2024

To: The Officials of the City of Bloomington
City of Bloomington
Monroe County, Indiana

This report is supplemental to the audit report of the City of Bloomington (City), for the period January 1, 2021 to December 31, 2021. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the City. It should be read in conjunction with the financial statement audit report of the City, which provides an opinion on the City's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the City and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

We have reviewed the Supplemental Audit Report for the City of Bloomington, prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report on page 3.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
CITY OF BLOOMINGTON
Monroe County, Indiana
January 1, 2021 to December 31, 2021

CITY OF BLOOMINGTON
Monroe County, Indiana
January 1, 2021 to December 31, 2021

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CITY OF BLOOMINGTON
SCHEDULE OF OFFICIALS
January 1, 2021 to December 31, 2021

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Jeffrey Underwood	01-01-21 to 12-31-21
Mayor	John Hamilton	01-01-21 to 12-31-21
President of the Board of Public Works	Kyla Cox Deckard	01-01-21 to 12-31-21
President of the Common Council	Sue Sgambelluri	01-01-21 to 12-31-21

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the City of Bloomington

We have examined the City of Bloomington's ("City") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Cities and Towns* during the period January 1, 2021 to December 31, 2021. Management of the City is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the City complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual for Cities and Towns* applicable to the City during the period January 1, 2021 to December 31, 2021, as described in items 2021-001 and 2021-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the City complied, in all material respects, with the aforementioned requirements during the period January 1, 2021 to December 31, 2021.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
December 20, 2023

CITY OF BLOOMINGTON
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2021 to December 31, 2021

FINDING 2021-001: COMPENSATION AND BENEFITS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns states in part, *“All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements.”*

The same comment appeared in the prior Report B60684.

Condition: The City was unable to provide a written policy authorizing employee benefits, specifically, the 1925 Police Pension Fund and the 1937 Firefighters’ Pension Fund.

FINDING 2021-002: MOTOR VEHICLE HIGHWAY FUNDS

Criteria: On the chart of accounts, the MVH Fund and MVH Restricted sub-fund shall be shown as follows: *“...Cities and Towns Fund 201 MVH Fund 203 MVH Restricted. Together, MVH and MVH Restricted shall constitute the total MVH Fund. MVH and MVH Restricted will be shown separately on the Annual Financial Report...”* (State Examiner Directive 2018-2).

“The political subdivision posted, at the time of the receipt of the distribution from the State MVH Account, fifty percent (50%) of the distribution to MVH Restricted” (State Examiner Directive 2018-2).

Indiana Code 8-14-1-5(c) states: *“For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the county’s highways.”*

The same comment appeared in the prior Report B60684.

Condition: The City did not establish the Motor Vehicle Highway (MVH) Fund and the MVH Restricted sub-fund with the standard appropriate fund numbers as established by the State Board of Accounts chart of accounts.

CITY OF BLOOMINGTON
EXIT CONFERENCE
January 1, 2021 to December 31, 2021

The contents of this report were discussed on December 20, 2023 with Jeff Underwood, City Controller, Jeff McMillan, City Deputy Controller, Matt Havey, Assistant Director of Finance – Utilities, Michelle Waldon, Finance Manager – Utilities, Paula Dodds, Accounting Manager – Utilities, Sue Sgambelluri, President of the Common Council, Larry Allen, Deputy Mayor, Pam Barber, Indiana State Board of Accounts, and Andy Rinzel, FORVIS.