

B37627

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

SUPPLEMENTAL REPORT
OF

WATER AND WASTEWATER UTILITIES
CITY OF BLOOMINGTON
MONROE COUNTY, INDIANA

January 1, 2009 to December 31, 2009



FILED
10/06/2010

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Patrick Murphy	01-01-09 to 12-31-10
Controller	Michael Trexler	01-01-09 to 12-31-10
Mayor	Mark Kruzan	01-01-08 to 12-31-11
President of the Utility Service Board	Thomas Swafford	01-01-09 to 12-31-10
President of the Common Council	Andrew Ruff Isabel Piedmont-Smith	01-01-09 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
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TO: THE OFFICIALS OF THE CITY OF BLOOMINGTON

We have audited the records of the Water and Wastewater Utilities for the period from January 1, 2009 to December 31, 2009, 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 Annual Report of the City of Bloomington for the year 2009.

STATE BOARD OF ACCOUNTS

August 16, 2010

WATER AND WASTEWATER UTILITIES
CITY OF BLOOMINGTON
AUDIT RESULT AND COMMENT

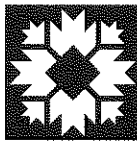
CAPITAL ASSET RECORDS

The Utilities record capital assets; however, additions from completed construction work in progress were not being transferred to the capital asset listing on a timely basis. As a result, depreciation expense was not being taken on those completed assets. The Utilities need to transfer completed construction work in progress projects to the capital asset listing each year.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

WATER AND WASTEWATER UTILITIES
CITY OF BLOOMINGTON
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2010, with Mark Kruzan, Mayor; Maria Heslin, Deputy Mayor; Kevin Robling, Corporation Counsel; Michael Trexler, Controller; Patrick Murphy, Director; Michael Horstman, Assistant Director of Finance – Utilities; and Jeff McMillian, Deputy Controller. The official response has been made a part of this report and may be found on pages 6.



**City of Bloomington
Office of the Controller**

Response to the 2009 Water and Wastewater Utilities Audit Report

CAPITAL ASSET RECORDS

The Utilities Department, in conjunction with the City, is in the process of installing new financial software that will impact the tracking and accounting of capital projects. As we work to tailor the system to our needs, we are evaluating our current policies and procedures with the goal of improving our financial reporting. The Utilities will invite the State Board of Accounts to review its new procedures once they are ready to be implemented before the end of 2010.



Mark Krizan, Mayor



Mike Trexler, City Controller