

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, 2014 to December 31, 2014



FILED
07/08/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Susan West	01-01-14 to 06-13-14
	Donna S. Slater (Interim)	06-14-14 to 08-15-14
	Margie Rice (Acting)	08-16-14 to 09-01-14
	Jeffrey Underwood	09-02-14 to 12-31-16
Mayor	Mark Kruzan	01-01-12 to 12-31-15
	John Hamilton	01-01-16 to 12-31-19
President of the Board of Public Works	Charlotte Zietlow	01-01-14 to 12-31-15
	Kyla Cox Deckard	01-01-16 to 12-31-16
President of the Common Council	Darryl Neher	01-01-14 to 12-31-14
	David Rollo	01-01-15 to 12-31-15
	Andrew Ruff	01-01-16 to 12-31-16
Utility Director	Patrick Murphy	01-01-14 to 12-31-15
	John Langley (Interim)	01-01-16 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2014, 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 of 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 of 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, 2014.

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, 2014, 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 the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, 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.

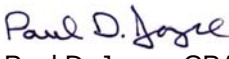
Other Information

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 April 26, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

April 26, 2016



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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, 2014, and the related notes to the financial statement, and have issued our report thereon dated April 26, 2016, 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.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

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 entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001 to be a material weakness.

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

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*
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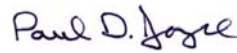
of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

City of Bloomington's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

April 26, 2016

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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, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
General	\$ 5,655,188	\$ 35,411,178	\$ 33,999,032	\$ 7,067,334
Motor Vehicle Highway	1,221,535	4,077,847	4,320,599	978,783
Local Road And Street	90,026	569,039	481,963	177,102
Parking Enforcement	1,133,164	1,777,594	1,303,947	1,606,811
Crime Control	186,176	169,679	241,422	114,433
Parking Meter	-	2,331,064	2,072,573	258,491
Enhanced Access	4,596	335	-	4,931
Electronic Map Generation	8,965	714	-	9,679
Parks & Rec General	56,358	6,476,787	6,274,527	258,618
Rainy Day	4,618,557	12,276	-	4,630,833
Cumulative Improvement (Cig)	83,323	424,397	200,000	307,720
Cumulative Cap Develop	1,275,322	1,690,346	1,891,951	1,073,717
RDC	82,828	221	-	83,049
Police Pension	1,222,301	1,261,721	1,282,357	1,201,665
Fire Pension	1,421,525	1,906,828	2,080,137	1,248,216
Debt Service Reserve For 440 TIF	1,066,167	2,834	-	1,069,001
Rental Inspection Program	43,832	156,826	130,000	70,658
2011 Downtown Redevelop Bond	1,059	1,053,260	1,054,319	-
Surplus CTP Bond	2,684,414	7,048	503,263	2,188,199
Bloomington Technology Park	52,689	140	-	52,829
B-Line Ph2 DNR -Grant	67	-	-	67
Community Services	40,937	81,861	63,000	59,798
CDBG Escrow	11	-	-	11
Police Education	163,835	38,815	20,251	182,399
CDBG	(39,871)	1,142,177	1,165,577	(63,271)
Parks Non Reverting Operating	1,957,364	2,310,805	2,403,138	1,865,031
Bloomington Invest Incent	483,021	33,211	-	516,232
Affordable Housing	2,833	-	-	2,833
Rental Rehab	2,610	-	-	2,610
HOME	996	464,389	408,987	56,398
HAND Special Grants	(94,262)	254,469	68,611	91,596
Dispatch Training	96,604	50	2,957	93,697
Non Reverting Telecom	1,678,390	861,688	825,401	1,714,677
Restricted Donation	28,833	54,251	38,127	44,957
Municipal Arts	87,931	-	13,545	74,386
Arts Commission Operating	13,306	-	4,979	8,327
Non Reverting Econ Develop	16,600	-	-	16,600
Non Reverting Improve	260,005	813	146,143	114,675
Unsafe Housing	83,590	38,177	28,807	92,960
CTP Downtown	3,444,732	443,152	-	3,887,884
TIF Downtown	2,701,919	3,801,745	2,943,572	3,560,092
TIF Tapp	950,354	270,660	448,737	772,277

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

CITY OF BLOOMINGTON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
TIF Adams	3,379,303	734,491	367,100	3,746,694
TIF Prow	626,435	89,589	370,350	345,674
TIF Whitehall	4,078,996	1,412,761	1,625,853	3,865,904
TIF Thomson Walnut Winslow	1,928,440	1,448,832	171,237	3,206,035
Solid Waste	195,203	1,805,295	2,000,498	-
Petty Cash Accounts- City	15,705	11,435	6,910	20,230
Petty Cash Accounts-Utilities	400	-	-	400
Alternative Transportation	161,987	597,386	498,784	260,589
Downtown CRED	6,038,342	766,805	30,661	6,774,486
BMFC Showers	28,871	635,250	635,375	28,746
Police Station Lease	44,717	-	-	44,717
98 Street Bond	24,225	883,408	889,335	18,298
Golf Course Bond	6,851	271,905	272,255	6,501
BMFC 1998 Street Lease	2,018	1,179,500	1,180,875	643
Redevelopment Dis Bond 2000	314,111	255,830	256,330	313,611
Fire Station #2 Lease	15,348	189,000	189,000	15,348
2001 Parks Bond	16,354	450,744	470,033	(2,935)
Parks Land Acquisition	1,533	-	-	1,533
Fire Capital	8,908	-	-	8,908
Industrial Development	2,653,549	7,053	-	2,660,602
Vehicle Replacement	195,940	277,500	309,791	163,649
Risk Management	23,712	1,061,075	679,907	404,880
Fleet Maintenance	958,283	1,883,133	1,988,289	853,127
Rosehill Trust	53,870	143	-	54,013
Payroll	-	13,407,862	13,407,862	-
Health Insurance	376,159	9,797,952	8,831,161	1,342,950
Insurance Voluntary Trust	135,071	1,005,560	920,168	220,463
Unemployment Comp	47,080	76,676	32,925	90,831
Storm Water Utility-Operating	659,908	1,510,313	1,541,648	628,573
PAYROLL - Utility	-	2,350,342	2,350,342	-
Wastewater Utility-Operating	3,250,087	21,082,845	18,211,498	6,121,434
Wastewater Util-Bond And Interest	42,456	6,664,185	6,701,730	4,911
Wastewater Utility-Construction	2,996,446	24,668	1,207,954	1,813,160
Wastewater Utility-Debt Reserve	6,724,527	371	62	6,724,836
Water O&M	3,824,287	16,610,311	17,121,404	3,313,194
Water Utility-Bond And Interest	4,485	5,994,031	5,995,929	2,587
Water Utility-Construction	598,610	1,517,905	493,735	1,622,780
Water Hydrant Deposit	35,150	13,800	16,750	32,200
Water Utility-Debt Reserve	5,643,615	1,930,548	1,935,031	5,639,132
Totals	<u>\$ 77,898,812</u>	<u>\$ 163,074,901</u>	<u>\$ 155,128,704</u>	<u>\$ 85,845,009</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 which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers 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 which include 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: peddler licenses, dog tax licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of these types of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution 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 which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine 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 which include receipts derived 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 which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are 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 include outflows 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 which include 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 office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include 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 which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are 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, transfer money 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 money 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 money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

CITY OF BLOOMINGTON
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Plan Description

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

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

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

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the CDBG fund being for a reimbursable grant. The reimbursements for expenditures made by the City were not received by December 31, 2014. The 2001 Park Bonds fund had a deficit cash balance because the tax revenue received during the audit period did not cover the principal and interest payments during the audit period.

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OTHER INFORMATION - UNAUDITED

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

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Financial Report of the City which is 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, 2014

	General	Motor Vehicle Highway	Local Road And Street	Parking Enforcement	Crime Control	Parking Meter	Enhanced Access
Cash and investments - beginning	\$ 5,655,188	\$ 1,221,535	\$ 90,026	\$ 1,133,164	\$ 186,176	\$ -	\$ 4,596
Receipts:							
Taxes	19,114,424	-	-	-	5,779	-	-
Licenses and permits	79,752	-	-	-	-	-	-
Intergovernmental	12,472,257	4,060,469	568,503	-	-	-	-
Charges for services	1,690,749	-	-	1,076,332	-	2,330,502	335
Fines and forfeits	899,053	-	-	2,810	160,794	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,154,943	17,378	536	698,452	3,106	562	-
Total receipts	35,411,178	4,077,847	569,039	1,777,594	169,679	2,331,064	335
Disbursements:							
Personal services	28,790,308	2,415,731	-	73,939	-	708,659	-
Supplies	968,098	1,178,768	-	4,640	-	73,539	-
Other services and charges	3,091,442	555,102	481,963	555,853	241,422	358,702	-
Debt service - principal and interest	-	-	-	666,080	-	481,300	-
Capital outlay	-	170,998	-	-	-	72,873	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,149,184	-	-	3,435	-	377,500	-
Total disbursements	33,999,032	4,320,599	481,963	1,303,947	241,422	2,072,573	-
Excess (deficiency) of receipts over disbursements	1,412,146	(242,752)	87,076	473,647	(71,743)	258,491	335
Cash and investments - ending	\$ 7,067,334	\$ 978,783	\$ 177,102	\$ 1,606,811	\$ 114,433	\$ 258,491	\$ 4,931

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Electronic Map Generation	Parks & Rec General	Rainy Day	Cumulative Improvement (Cig)	Cumulative Cap Develop	RDC	Police Pension
Cash and investments - beginning	\$ 8,965	\$ 56,358	\$ 4,618,557	\$ 83,323	\$ 1,275,322	\$ 82,828	\$ 1,222,301
Receipts:							
Taxes	-	5,115,984	-	-	1,579,594	-	1,257,992
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	341,756	-	424,397	110,712	-	-
Charges for services	714	1,009,637	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	9,410	12,276	-	40	221	3,729
Total receipts	714	6,476,787	12,276	424,397	1,690,346	221	1,261,721
Disbursements:							
Personal services	-	4,353,477	-	-	-	-	3,983
Supplies	-	461,249	-	200,000	200,000	-	310
Other services and charges	-	1,113,527	-	-	666,857	-	1,278,064
Debt service - principal and interest	-	74,369	-	-	-	-	-
Capital outlay	-	-	-	-	1,025,094	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	271,905	-	-	-	-	-
Total disbursements	-	6,274,527	-	200,000	1,891,951	-	1,282,357
Excess (deficiency) of receipts over disbursements	714	202,260	12,276	224,397	(201,605)	221	(20,636)
Cash and investments - ending	\$ 9,679	\$ 258,618	\$ 4,630,833	\$ 307,720	\$ 1,073,717	\$ 83,049	\$ 1,201,665

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Fire Pension	Debt Service Reserve For 440 TIF	Rental Inspection Program	2011 Downtown Redevelop Bond	Surplus CTP Bond	Bloomington Technology Park	B-Line Ph2 DNR -Grant
Cash and investments - beginning	\$ 1,421,525	\$ 1,066,167	\$ 43,832	\$ 1,059	\$ 2,684,414	\$ 52,689	\$ 67
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	142,768	-	-	-	-
Intergovernmental	1,906,177	-	-	-	-	-	-
Charges for services	-	-	14,058	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	651	2,834	-	1,053,260	7,048	140	-
Total receipts	1,906,828	2,834	156,826	1,053,260	7,048	140	-
Disbursements:							
Personal services	3,634	-	-	-	-	-	-
Supplies	394	-	-	-	-	-	-
Other services and charges	2,076,109	-	-	495	503,263	-	-
Debt service - principal and interest	-	-	-	1,053,824	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	130,000	-	-	-	-
Total disbursements	2,080,137	-	130,000	1,054,319	503,263	-	-
Excess (deficiency) of receipts over disbursements	(173,309)	2,834	26,826	(1,059)	(496,215)	140	-
Cash and investments - ending	\$ 1,248,216	\$ 1,069,001	\$ 70,658	\$ -	\$ 2,188,199	\$ 52,829	\$ 67

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Community Services	CDBG Escrow	Police Education	CDBG	Parks Non Reverting Operating	Bloomington Invest Incent	Affordable Housing
Cash and investments - beginning	\$ 40,937	\$ 11	\$ 163,835	\$ (39,871)	\$ 1,957,364	\$ 483,021	\$ 2,833
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,113,312	21,402	-	-
Charges for services	-	-	33,326	-	2,226,903	100	-
Fines and forfeits	-	-	5,489	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	81,861	-	-	28,865	62,500	33,111	-
Total receipts	81,861	-	38,815	1,142,177	2,310,805	33,211	-
Disbursements:							
Personal services	-	-	-	132,407	514,939	-	-
Supplies	6,964	-	-	512	444,658	-	-
Other services and charges	56,036	-	20,251	1,032,658	890,452	-	-
Debt service - principal and interest	-	-	-	-	544,244	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	8,845	-	-
Total disbursements	63,000	-	20,251	1,165,577	2,403,138	-	-
Excess (deficiency) of receipts over disbursements	18,861	-	18,564	(23,400)	(92,333)	33,211	-
Cash and investments - ending	\$ 59,798	\$ 11	\$ 182,399	\$ (63,271)	\$ 1,865,031	\$ 516,232	\$ 2,833

CITY OF BLOOMINGTON
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Rental Rehab	HOME	HAND Special Grants	Dispatch Training	Non Reverting Telecom	Restricted Donation	Municipal Arts
Cash and investments - beginning	\$ 2,610	\$ 996	\$ (94,262)	\$ 96,604	\$ 1,678,390	\$ 28,833	\$ 87,931
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	368,401	247,197	-	-	-	-
Charges for services	-	-	800	-	861,688	-	-
Fines and forfeits	-	-	-	50	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	95,988	6,472	-	-	54,251	-
Total receipts	-	464,389	254,469	50	861,688	54,251	-
Disbursements:							
Personal services	-	31,109	13,313	-	-	-	-
Supplies	-	-	-	-	4,026	32,300	1,295
Other services and charges	-	377,878	55,298	2,957	658,414	5,827	12,250
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	162,961	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	408,987	68,611	2,957	825,401	38,127	13,545
Excess (deficiency) of receipts over disbursements	-	55,402	185,858	(2,907)	36,287	16,124	(13,545)
Cash and investments - ending	\$ 2,610	\$ 56,398	\$ 91,596	\$ 93,697	\$ 1,714,677	\$ 44,957	\$ 74,386

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Arts Commission Operating	Non Reverting Econ Develop	Non Reverting Improve	Unsafe Housing	CTP Downtown	TIF Downtown	TIF Tapp
Cash and investments - beginning	\$ 13,306	\$ 16,600	\$ 260,005	\$ 83,590	\$ 3,444,732	\$ 2,701,919	\$ 950,354
Receipts:							
Taxes	-	-	-	-	-	3,667,744	268,134
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	433,543	-	-
Charges for services	-	-	813	-	-	-	-
Fines and forfeits	-	-	-	38,177	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	9,609	134,001	2,526
Total receipts	-	-	813	38,177	443,152	3,801,745	270,660
Disbursements:							
Personal services	-	-	-	18,446	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	4,979	-	146,143	10,361	-	1,224,233	448,737
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,719,339	-
Total disbursements	4,979	-	146,143	28,807	-	2,943,572	448,737
Excess (deficiency) of receipts over disbursements	(4,979)	-	(145,330)	9,370	443,152	858,173	(178,077)
Cash and investments - ending	\$ 8,327	\$ 16,600	\$ 114,675	\$ 92,960	\$ 3,887,884	\$ 3,560,092	\$ 772,277

CITY OF BLOOMINGTON
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	TIF Adams	TIF Prow	TIF Whitehall	TIF Thomson Walnut Winslow	Solid Waste	Petty Cash Accounts- City	Petty Cash Accounts-Utilities
Cash and investments - beginning	\$ 3,379,303	\$ 626,435	\$ 4,078,996	\$ 1,928,440	\$ 195,203	\$ 15,705	\$ 400
Receipts:							
Taxes	725,676	88,090	1,402,668	1,293,091	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	61,078	-	-	-
Charges for services	-	-	-	-	899,992	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	8,815	1,499	10,093	94,663	905,303	11,435	-
Total receipts	734,491	89,589	1,412,761	1,448,832	1,805,295	11,435	-
Disbursements:							
Personal services	-	-	-	-	1,398,655	-	-
Supplies	-	-	-	-	115,942	-	-
Other services and charges	367,100	370,350	1,523	171,237	485,901	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	1,624,330	-	-	6,910	-
Total disbursements	367,100	370,350	1,625,853	171,237	2,000,498	6,910	-
Excess (deficiency) of receipts over disbursements	367,391	(280,761)	(213,092)	1,277,595	(195,203)	4,525	-
Cash and investments - ending	\$ 3,746,694	\$ 345,674	\$ 3,865,904	\$ 3,206,035	\$ -	\$ 20,230	\$ 400

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Alternative Transportation	Downtown CRED	BMFC Showers	Police Station Lease	98 Street Bond	Golf Course Bond	BMFC 1998 Street Lease
Cash and investments - beginning	\$ 161,987	\$ 6,038,342	\$ 28,871	\$ 44,717	\$ 24,225	\$ 6,851	\$ 2,018
Receipts:							
Taxes	-	-	-	-	828,347	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	750,000	635,250	-	55,061	-	-
Charges for services	125,096	-	-	-	-	-	-
Fines and forfeits	272,290	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	200,000	16,805	-	-	-	271,905	1,179,500
Total receipts	597,386	766,805	635,250	-	883,408	271,905	1,179,500
Disbursements:							
Personal services	163,420	-	-	-	-	-	-
Supplies	5,025	-	-	-	-	-	-
Other services and charges	27,493	30,661	1,375	-	750	750	1,375
Debt service - principal and interest	-	-	634,000	-	888,585	271,505	1,179,500
Capital outlay	302,846	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	498,784	30,661	635,375	-	889,335	272,255	1,180,875
Excess (deficiency) of receipts over disbursements	98,602	736,144	(125)	-	(5,927)	(350)	(1,375)
Cash and investments - ending	\$ 260,589	\$ 6,774,486	\$ 28,746	\$ 44,717	\$ 18,298	\$ 6,501	\$ 643

CITY OF BLOOMINGTON
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Redevelopment Dis Bond 2000	Fire Station #2 Lease	2001 Parks Bond	Parks Land Acquisition	Fire Capital	Industrial Development	Vehicle Replacement
Cash and investments - beginning	\$ 314,111	\$ 15,348	\$ 16,354	\$ 1,533	\$ 8,908	\$ 2,653,549	\$ 195,940
Receipts:							
Taxes	-	-	422,071	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	28,058	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	255,830	189,000	615	-	-	7,053	277,500
Total receipts	255,830	189,000	450,744	-	-	7,053	277,500
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	500	-	400	-	-	-	-
Debt service - principal and interest	255,830	189,000	469,633	-	-	-	137,452
Capital outlay	-	-	-	-	-	-	172,339
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	256,330	189,000	470,033	-	-	-	309,791
Excess (deficiency) of receipts over disbursements	(500)	-	(19,289)	-	-	7,053	(32,291)
Cash and investments - ending	\$ 313,611	\$ 15,348	\$ (2,935)	\$ 1,533	\$ 8,908	\$ 2,660,602	\$ 163,649

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Risk Management	Fleet Maintenance	Rosehill Trust	Payroll	Health Insurance	Insurance Voluntary Trust	Unemployment Comp
Cash and investments - beginning	\$ 23,712	\$ 958,283	\$ 53,870	\$ -	\$ 376,159	\$ 135,071	\$ 47,080
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	1,051,486	1,017,459	-	-	8,027,107	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	9,589	865,674	143	13,407,862	1,770,845	1,005,560	76,676
Total receipts	1,061,075	1,883,133	143	13,407,862	9,797,952	1,005,560	76,676
Disbursements:							
Personal services	218,368	590,684	-	-	-	-	-
Supplies	32,930	1,278,504	-	-	-	-	-
Other services and charges	428,609	119,101	-	-	8,831,161	920,168	32,925
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	13,407,862	-	-	-
Total disbursements	679,907	1,988,289	-	13,407,862	8,831,161	920,168	32,925
Excess (deficiency) of receipts over disbursements	381,168	(105,156)	143	-	966,791	85,392	43,751
Cash and investments - ending	\$ 404,880	\$ 853,127	\$ 54,013	\$ -	\$ 1,342,950	\$ 220,463	\$ 90,831

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Storm Water Utility-Operating	PAYROLL - Utility	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility-Construction	Wastewater Utility-Debt Reserve	Water O&M
Cash and investments - beginning	\$ 659,908	\$ -	\$ 3,250,087	\$ 42,456	\$ 2,996,446	\$ 6,724,527	\$ 3,824,287
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	1,357,144	-	20,272,703	-	-	-	15,247,451
Other receipts	153,169	2,350,342	810,142	6,664,185	24,668	371	1,362,860
Total receipts	1,510,313	2,350,342	21,082,845	6,664,185	24,668	371	16,610,311
Disbursements:							
Personal services	252,545	-	4,895,268	-	-	-	2,850,094
Supplies	-	-	-	-	-	-	-
Other services and charges	82,533	-	320,139	-	-	-	264,685
Debt service - principal and interest	-	-	203,796	6,253,625	-	-	123,100
Capital outlay	281,697	-	262,624	-	1,207,573	-	296,332
Utility operating expenses	199,052	-	5,312,327	-	-	-	5,205,108
Other disbursements	725,821	2,350,342	7,217,344	448,105	381	62	8,382,085
Total disbursements	1,541,648	2,350,342	18,211,498	6,701,730	1,207,954	62	17,121,404
Excess (deficiency) of receipts over disbursements	(31,335)	-	2,871,347	(37,545)	(1,183,286)	309	(511,093)
Cash and investments - ending	\$ 628,573	\$ -	\$ 6,121,434	\$ 4,911	\$ 1,813,160	\$ 6,724,836	\$ 3,313,194

CITY OF BLOOMINGTON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	Water Utility-Bond And Interest	Water Utility-Construction	Water Hydrant Deposit	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 4,485	\$ 598,610	\$ 35,150	\$ 5,643,615	\$ 77,898,812
Receipts:					
Taxes	-	-	-	-	35,769,594
Licenses and permits	-	-	-	-	222,520
Intergovernmental	-	-	-	-	23,597,573
Charges for services	-	-	-	-	20,367,097
Fines and forfeits	-	-	-	-	1,378,663
Utility fees	-	-	-	-	36,877,298
Other receipts	5,994,031	1,517,905	13,800	1,930,548	44,862,156
Total receipts	5,994,031	1,517,905	13,800	1,930,548	163,074,901
Disbursements:					
Personal services	-	-	-	-	47,428,979
Supplies	-	-	-	-	5,009,154
Other services and charges	-	-	-	-	28,328,009
Debt service - principal and interest	5,347,025	-	-	-	18,772,868
Capital outlay	-	493,669	-	-	4,449,006
Utility operating expenses	-	-	-	-	10,716,487
Other disbursements	648,904	66	16,750	1,935,031	40,424,201
Total disbursements	5,995,929	493,735	16,750	1,935,031	155,128,704
Excess (deficiency) of receipts over disbursements	(1,898)	1,024,170	(2,950)	(4,483)	7,946,197
Cash and investments - ending	\$ 2,587	\$ 1,622,780	\$ 32,200	\$ 5,639,132	\$ 85,845,009

CITY OF BLOOMINGTON
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Storm Water	\$ 9,128	\$ 57,536
Wastewater	346,629	753,716
Water	77,719	717,657
Governmental activities	<u>1,234,657</u>	<u>450,547</u>
Totals	<u>\$ 1,668,133</u>	<u>\$ 1,979,456</u>

CITY OF BLOOMINGTON
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Bank of New York	508 BMFC Showers Lease	\$ 634,000	8/1/2009	2/1/2021
Bank of New York	513 BMFC Street Lease	1,185,500	8/1/2009	2/1/2017
First Financial Equipment Finance LLC	Parking Meters F455	500,000	7/22/2013	7/22/2017
GE Capital 1025787-1013314A4	2011 Color Copier F601	9,082	4/28/2011	3/28/2016
GE Capital 1025787-1019797A1	2010 Police Copiers (4) F101-14	3,740	12/14/2010	12/13/2015
GE Capital 1025787-1019797ML	2010 Copier (8) F601	12,294	6/29/2010	6/1/2015
Mercury LLC	7th & Morton F452	436,114	1/1/2004	11/1/2033
Old National Bank	515 BMFC Fire Station #2 Lease	94,500	2/15/2001	2/15/2015
Sun Trust Equipment	2010 Master Equipment F610 & F200	128,947	4/20/2011	2/15/2016
Walnut LLC	7th & Walnut F452	<u>233,812</u>	3/1/2010	2/1/2031
Total governmental activities		<u>3,237,989</u>		
Storm Water:				
Public Finance	2014 Vehicle Capital Lease	<u>15,354</u>	11/21/2014	1/1/2020
Wastewater:				
Public Finance	2014 Vehicle Capital Lease	117,713	11/21/2014	1/1/2020
Suntrust Equipment Leasing and Finance	2013 Vehicle Capital Lease	135,867	6/1/2013	7/15/2018
US Bank National Association for Toshiba Financial	Admin color copier	<u>1,042</u>	1/4/2012	1/4/2015
Total Wastewater		<u>254,622</u>		
Water:				
Public Finance	2014 Vehicle Capital Lease	37,532	11/21/2014	1/1/2020
Suntrust Equipment Leasing and Finance	2013 Vehicle Capital Lease	82,064	6/1/2013	7/15/2018
US Bank National Association for Toshiba Financial	Admin Color Copier	<u>1,564</u>	1/4/2012	1/4/2015
Total Water		<u>121,160</u>		
Total of annual lease payments		<u><u>\$ 3,629,125</u></u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	511 1998 Street Bond II		\$ 2,500,000	\$ 875,260
General obligation bonds	512 Golf Course Bond		1,220,000	269,680
General obligation bonds	514 Redevelopment District Bond		250,000	257,125
General obligation bonds	516 2001 Parks Bond		1,240,000	449,033
General obligation bonds	201 TLRC Bond		5,895,000	543,560
Revenue bonds	517 2011 Downtown Redevelopment Bond		<u>12,280,000</u>	<u>1,054,424</u>
Total governmental activities			<u>23,385,000</u>	<u>3,449,082</u>
Wastewater:				
Revenue bonds	Sewage Works Revenue Bonds of 2006 Series A-1		5,240,000	249,487
Revenue bonds	Sewage Works Revenue Bonds of 2006 Series A-2		765,000	389,117
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2012 Series A		5,965,000	524,025
Revenue bonds	Sewage Works Revenue Bonds of 2012 Series B		4,835,000	1,264,578
Revenue bonds	Sewage Works Revenue Bonds of 2012 Series C		4,815,000	328,424
Revenue bonds	Sewage Works Refunding Revenue Bonds Series 2013		19,140,000	2,298,115
Notes and loans payable	2004 SRF (5 800 000)		3,936,000	401,737
Notes and loans payable	2006 SRF (3 552 000)		2,562,808	243,417
Notes and loans payable	2006 SRD (7 288 000)		<u>5,258,374</u>	<u>499,444</u>
Total Wastewater			<u>52,517,182</u>	<u>6,198,344</u>
Water:				
Revenue bonds	Waterworks Refunding Revenue Bonds of 2003		2,690,000	540,525
Revenue bonds	Waterworks Revenue Bond of 2006		3,835,000	413,391
Revenue bonds	Waterworks Revenue Bond of 2011 Series B		34,320,000	1,983,400
Notes and loans payable	2000 SRF (10 850 000)		6,332,000	1,076,176
Notes and loans payable	2003 SRF (4 215 000)		2,171,000	294,795
Notes and loans payable	2003 SRF (7 885 000)		4,861,000	552,179
Notes and loans payable	2011 SRF (6 045 000)		<u>5,375,000</u>	<u>483,725</u>
Total Water			<u>59,584,000</u>	<u>5,344,191</u>
Totals			<u><u>\$ 135,486,182</u></u>	<u><u>\$ 14,991,617</u></u>

CITY OF BLOOMINGTON
SCHEDULE OF CAPITAL ASSETS
December 31, 2014

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	\$ 137,767,568
Infrastructure	49,393,345
Buildings	60,465,653
Improvements other than buildings	32,635,914
Machinery, equipment, and vehicles	20,110,800
Construction in progress	<u>9,712,345</u>
Total governmental activities	<u>310,085,625</u>
Storm Water:	
Infrastructure	17,473,703
Machinery, equipment, and vehicles	54,049
Construction in progress	<u>263,021</u>
Total Storm Water	<u>17,790,773</u>
Wastewater:	
Land	1,029,932
Infrastructure	119,031,323
Buildings	6,783,370
Machinery, equipment, and vehicles	31,523,140
Construction in progress	<u>105,751</u>
Total Wastewater	<u>158,473,516</u>
Water:	
Land	1,437,571
Infrastructure	52,719,890
Buildings	28,307,453
Machinery, equipment, and vehicles	37,637,277
Construction in progress	<u>17,359,143</u>
Total Water	<u>137,461,334</u>
Total capital assets	<u><u>\$ 623,811,248</u></u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR 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 *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. 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 the requirements of laws, regulations, contracts, and grants 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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, 2014.

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 OMB Circular A-133, 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph 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. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be a material weakness.

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 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2014-002 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

April 26, 2016

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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, 2014

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	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Child Nutrition Cluster				
Summer Food Service Program for Children	Indiana Department of Education	10.559	CNP-SF-75305	\$ 9,720
Summer Food Service Program for Children				
Total - Child Nutrition Cluster				9,720
Total - Department of Agriculture				9,720
<u>Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster	Direct Grant			
Community Development Block Grants/Entitlement Grants		14.218	B-12-MC-180013	673,604
CDBG		14.218	B-13-MC-180013	439,708
CDBG				
Total - Community Development Block Grants/Entitlement Grants				1,113,312
Total - CDBG - Entitlement Grants Cluster				1,113,312
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Office of Community and Rural Affairs	14.228	B12DC180001DR1B-09-0	211,455
Griffy Lake Dam Improvements				
Total - CDBG - State-Administered CDBG Cluster				211,455
Shelter Plus Care	Direct Grant	14.238	IN0048C5H021004	19,978
Shelter Plus Care		14.238	IN0048L5H021105	15,764
Shelter Plus Care				
Total - Shelter Plus Care				35,742
HOME Investment Partnerships Program	Direct Grant			
HOME		14.239	M-11-MC-18-0200	115,416
HOME		14.239	M-12-MC-18-0200	221,358
HOME		14.239	M-13-MC-18-0200	13,579
HOME		14.239	M-14-MC-18-0200	16,932
Total - HOME Investment Partnerships Program				367,285
Total - Department of Housing and Urban Development				1,727,794
<u>Department of Justice</u>				
JAG Program Cluster	Direct Grant			
Edward Byrne Memorial Justice Assistance Grant Program				
2012 JAG Grant		16.738	2012-DJ-BX-0916	10,246
2013 Jag Street Smart			2013-DJ-BX-0070	31,982
2011 JAG Grant			2011-DJ-BX-3378	20,159
Total - Edward Byrne Memorial Justice Assistance Grant Program				62,387
Total - JAG Program Cluster				62,387

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

CITY OF BLOOMINGTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014
(Continued)

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Justice (continued)</u>				
Missing Children's Assistance	Indiana State Police			
2012 ICAC		16.543		6,251
2013 ICAC		16.543	2011-MC-CX-K005 EDS EDS#A2-14-100-014	<u>7,750</u>
Total - Missing Children's Assistance				<u>14,001</u>
Total - Department of Justice				<u>76,388</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation			
2014 Sign Updates		20.205	#13810300(INDOTPO)	26,290
17th & Arlington Design		20.205	DES #0900216	5,232
Sare & Rogers		20.205	#0013801268(INDOTPO)	400
S. Rogers from Rockport to Watson		20.205	#0013808625 (INDOT PO)	61,078
FY14 Q2 - Q4 MPO		20.205	0014805114 (INDOT PO)	<u>169,792</u>
Total - Highway Planning and Construction Cluster				<u>262,792</u>
Highway Safety Cluster				
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600		
Civil Streets 2013-2014			EDS#D3-14-8613	17,488
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601		
2014 DUI Taskforce			0014533637 EDS#D3-14-8120	14,728
Occupant Protection Incentive Grants	Indiana Criminal Justice Institute	20.602		
2013-2014 OPO			EDS#D3-14-8156	<u>44,778</u>
Total - Highway Safety Cluster				<u>76,994</u>
Total Department of Transportation				<u>339,786</u>
Brownfields Assessment and Cleanup Cooperative Agreements	Direct Grant			
EPA BrownField Assessment		66.818	BF00E01217-0	<u>143,057</u>
Total - Environmental Protection Agency				<u>143,057</u>
<u>Department of Education</u>				
Twenty-First Century Community Learning Centers	Monroe County Community School Corporation			
2014-2015 MCCSC 21st Century Community Learning Center		84.287	EDS #A58-5-15 DL-2124	<u>11,683</u>
Total - Department of Education				<u>11,683</u>
Total federal awards expended				<u>\$ 2,308,428</u>

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 and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Note 2. Subrecipients

Of the federal expenditures presented in the SEFA, the City provided federal awards to subrecipients as follows for the year ended December 31, 2014:

Program Title	Federal CFDA Number	2014
Community Development Block Grants/ Entitlement Grants	14.218	\$ <u>190,062</u>
HOME Investment Partnerships Program	14.239	\$ <u>16,766</u>

CITY OF BLOOMINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
	CDBG - Entitlement Grants Cluster
14.239	HOME Investment Partnerships Program

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

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

Section II - Financial Statement Findings

FINDING 2014-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). There were no controls in place to ensure the accuracy of the SEFA.

The City should have had proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected.

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

During the audit of the SEFA, there were incorrect amounts reported for the CDBG - Entitlement Grants Cluster, HOME Investment Partnership Program, CDBG - State Administered CDBG Cluster, and Highway Planning and Construction Cluster. Audit adjustments totaling \$216,200 were proposed, accepted by the City, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - PROCUREMENT AND SUSPENSION AND DEBARMENT

Federal Agency: Department of Housing and Urban Development
Federal Program: Community Development Block Grants/Entitlement Grants
CFDA Number: 14.218
Federal Award Numbers and Years (or Other Identifying Number): B-12-MC-180013, B-13-MC-180013
Pass-Through Entity: Direct

Management of the City had not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

The City had established oversight and review procedures to ensure that its physical improvement applicants, special services applicants, and its contractors were not excluded, disqualified, or otherwise ineligible from the Federal procurement and non-procurement programs at the time of contract execution or during the period of project work; however, there was no documentation of the oversight or review.

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirement could have resulted in the loss of federal funds to the City.

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and compliance requirement listed above.

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AUDITEE PREPARED DOCUMENTS

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



**City of Bloomington
Housing and Neighborhood Development**

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-002 SUSPENSION AND DEBARMENT

Original Assigned SBA Audit Report Number: B44227
Report Period: January 1, 2013 to December 31, 2013
Pass-Through Entity or Federal Grantor Agency: Department of Housing and Urban Development
Contact Person Responsible for Corrective Action: Lisa Abbot
Contact Phone Number: 812-349-3401

Status of Audit Finding:

In an effort to effectively monitor the suspension and debarment of HAND contractors and subgrantees, HAND implemented a new policy which requires CDBG and HOME program managers to review the System for Award Management (SAM) for each contractor and subgrantee awarded through CDBG and HOME. The SAM report is printed and included in the project file which is then checked by the Director. To ensure appropriate segregation of duties, a checklist was developed and included in the project files. This checklist includes a signature form that is signed by the Director after he/she has reviewed the SAM report for compliance.


(Signature)


(Title)


(Date)



(INCLUDE ON OFFICIAL LETTERHEAD)

City of Bloomington
Housing and Neighborhood Development

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2013-003 REPORTING

Original Assigned SBA Audit Report Number: B44227

Report Period: January 1, 2013 to December 31, 2013

Pass-Through Entity or Federal Grantor Agency: Department of Housing and Urban Development

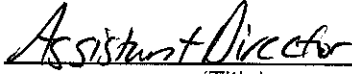
Contact Person Responsible for Corrective Action: Lisa Abbot

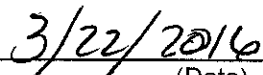
Contact Phone Number: 812-349-3401

Status of Audit Finding:

HAND reports all contracts over \$25,000 in CDBG via the Federal Funding Accountability and Transparency Act (FFATA) Subaward Reporting System. This provides the public an opportunity to review which companies are receiving HAND contracts. Additionally, all CDBG and HOME draws are published annually on the City of Bloomington website allowing the public an opportunity to review funding allocations for CDBG programs via two mechanisms which increases transparency. Both of these reports are reviewed by the Director prior to publication.


(Signature)


(Title)


(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

CORRECTIVE ACTION PLAN

FINDING 2014-001

Contact Person Responsible for Corrective Action: Jeffrey McMillian & Samuel Smith
Contact Phone Number: 812-349-3479

Description of Corrective Action Plan:

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

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

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

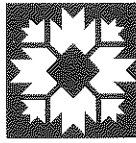
We would like to note that all revenues and expenditures were reported and accounted for within the City's financial system on the cash basis and there were no unaccounted transactions. This corrective action reflect solely on the timing of how and when revenues and expenditures are reported on the Schedule of Expenditures of Federal Awards.

Anticipated Completion Date: March 28, 2016

(Signature)

Controller
(Title)

March 31, 2016
(Date)



**City of Bloomington
Housing and Neighborhood Development**

CORRECTIVE ACTION PLAN

FINDING 2014-002 Rosie Beaman 812-349-3557

Contact Person Responsible for Corrective Action:
Contact Phone Number:

Views of Responsible Official: We concur with the finding regarding the Suspension and Debarment. Although SAMS reports were pulled for each contractor, these were not always reviewed and signed by a supervisor.

Description of Corrective Action Plan: We have implemented a new systems which requires the supervisor to review and sign SAMS reports along with any other required documents prior processing the first payment on each project. This process will be implemented starting with 2016 HOME and CDBG funded projects.

Anticipated Completion Date: March 23, 2016

Rosie Beaman
(Signature)

Assistant Director
(Title)

3/23/2016
(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/>.