



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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February 3, 2023

To: The Officials of the City of Bloomington
City of Bloomington
401 N Morton St
Suite 240
Bloomington, IN 47404

This report is supplemental to the audit report of the City of Bloomington (City), for the period January 1, 2020 to December 31, 2020. 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 RSM US, LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana 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

City of Bloomington, Indiana

Supplemental Compliance Examination Report
January 1, 2020 to December 31, 2020

Contents

Schedule of City Officials	1
Independent Accountant's Report	2
Schedule of Examination Findings and Results:	
2020-001: Employee Benefits	3
2020-002: Motor Vehicle Highway Funds	3
Exit Conference	4

City of Bloomington, Indiana

**Schedule of City Officials
January 1, 2020 to December 31, 2020**

Office	Official	Term
City Controller	Jeffrey Underwood	09-02-14 to 12-31-21
Mayor	John Hamilton	01-01-16 to 12-31-19 01-01-20 to 12-31-22
President of the Board of Public Works	Kyla Cox Deckard	01-01-16 to 12-31-19 01-01-20 to 12-31-22
President of the Common Council	Sue Sgambelluri	01-01-20 to 12-31-23



Independent Accountant's Report

RSM US LLP

City Council
City of Bloomington, Indiana

We have examined the City of Bloomington's (the City) compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines* (the specified requirements) during the period January 1, 2020 to December 31, 2020. 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 opinion.

We are required to be independent of the City and to meet our 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, 2020 to December 31, 2020, as described in items 2020-001 and 2020-002 on the attached 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, 2020 to December 31, 2020.

RSM US LLP

Chicago, Illinois
January 31, 2023

City of Bloomington, Indiana

**Schedule of Examination Findings and Results
January 1, 2020 to December 31, 2020**

FINDING 2020-001: Employee Benefits

Condition and Context

The City was unable to provide for audit a written policy authorizing employee benefits, specifically the 1925 Police Pension Fund and the 1937 Firefighters' Pension Fund.

Criteria

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 (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1).

FINDING 2020-002: Motor Vehicle Highway Funds

Condition and Context

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.

In addition, one month of receipts (November 2020) was incorrectly posted to the Local Road and Street Fund instead of the MVH Restricted Fund.

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."

City of Bloomington, Indiana

Exit Conference

January 1, 2020 to December 31, 2020

The contents of this report were discussed on January 30, 2023, with Mary Catherine Carmichael (Deputy Mayor), Sue Sgambelluri (Vice President of City Council), Jeffrey Underwood (City Controller), Jeff McMillian (Deputy Controller) and Cheryl Gilliland (Director of Auditing and Financial Systems).