

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF MUNCIE  
DELAWARE COUNTY, INDIANA

January 1, 2013 to December 31, 2013



**FILED**  
09/26/2014



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Audrey Jones	01-01-13 to 12-31-14
Mayor	Dennis Tyler	01-01-13 to 12-31-16
President of the Board of Public Works and Safety	John Quirk	01-01-13 to 12-31-14
President of the Common Council	Jerry Dishman Julius Anderson	01-01-13 to 12-31-13 01-01-14 to 12-31-14
President of the Board of Sanitary Commissioners	Tom Bennington Bill Smith	01-01-13 to 12-31-13 01-01-14 to 12-31-14



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF MUNCIE, DELAWARE COUNTY, INDIANA

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the City of Muncie (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

### ***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, 2013.

***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, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated August 28, 2014, 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.

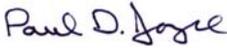
***Accompanying Information***

*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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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.

  
Paul D. Joyce, CPA  
State Examiner

August 28, 2014



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 MUNCIE, DELAWARE 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 Muncie (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated August 28, 2014, 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 a deficiency 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 deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be a material weakness.

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*  
(Continued)

***Compliance and Other Matters***

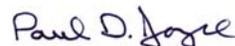
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 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 2013-001.

***City of Muncie's Response to Finding***

The City's response to the finding identified in our audit is described in the accompanying Official Response and 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

August 28, 2014

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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 MUNCIE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
General Fund	\$ 8,086,491	\$ 24,783,565	\$ 23,366,170	\$ 9,503,886
Motor Vehicle Highway	1,053,035	3,339,065	3,222,393	1,169,707
Local Road And Street	554,681	1,135,164	934,504	755,341
Parking Meter	130,191	32,967	82,227	80,931
Economic Development Operating	35,119	-	-	35,119
Clerk's Records Perpetuation	49,065	10,737	13,203	46,599
Parks And Recreation	246,524	719,880	873,329	93,075
Rainy Day	538,319	-	-	538,319
Cumulative Capl Imprv Cigarette Tax	-	188,143	188,143	-
Center Township Revenue	342,533	400,000	-	742,533
Police Pension	1,806,252	2,623,818	3,436,466	993,604
Fire Pension	983,502	4,513,014	3,611,964	1,884,552
Bond Revenue/ Tuhey Pool	(91,831)	156,259	165,332	(100,904)
MPD Reserves Grant	1,600	-	-	1,600
Land Bank	40,783	-	-	40,783
CD FY11 CDBG Program	-	41,762	41,762	-
FY11 Home Program	-	153,167	153,167	-
Fuel Surcharge	894	-	-	894
MPD JAG grant 2010	9,136	-	9,136	-
MPD JAG 2011	27,102	-	25,831	1,271
Historic Preservation	346	-	-	346
Indiana NSP Grant	(101)	329,267	329,166	-
NSP 3 HUD Grant	-	690,349	690,349	-
Muncie Endurathon Grant	167	-	-	167
Park Dept Phase II Spray Pool	75,000	65,000	140,000	-
Regions Bank Indiana Stamping Bond	1	15,275	10,000	5,276
MPD SWAT Team	4,760	-	4,760	-
MPD Towing	56,839	30,080	56,852	30,067
CD FY12 CDBG Program	-	529,643	529,643	-
CD FY07 Home Grant	-	72,255	72,255	-
CD FY12 Home Program	-	273,015	273,015	-
Victim Advocate 2012-2013	25,075	64,095	89,170	-
MPD Stop Domestic Violence 2012	(367)	13,183	12,516	300
MPD JAG 2012	17,736	17,736	29,315	6,157
CD Miscellaneous Fund	7,500	32,000	31,256	8,244
Redevelop TIF Indiana Stamping	126	10,549	10,675	-
MPD OPO 2012-2013	(18,336)	89,998	72,637	(975)
MPD DUI 2012-2013	(7,274)	37,498	30,224	-
MFD Search and Rescue Dog Fund	-	2,309	-	2,309
MPD Domestic Violence Donations	-	38,379	27,434	10,945
MPD Corrupt Business Influence	-	25,910	750	25,160
Dog Park Sponsor Fund	-	5,195	3,015	2,180
Animal Non-Reverting Fund	-	20,317	6,214	14,103
CD FY13 CDBG Program	-	300,047	300,047	-
CD FY13 Home Program	-	15,990	15,990	-
MPD Victim Advocate 2013-2014	-	48,132	12,761	35,371
MPRD Dangerous Driving Enforce	-	5,996	5,996	-
MPD Stop Domestic Violence 13-14	-	1,000	7,740	(6,740)
EDI Grant Unity Center	-	343,000	343,000	-
Redevelop. TIF Downtown Expansion	-	56,640	-	56,640
Redevelopment TIF Muncie Air Park	-	212,565	105,581	106,984
Prairie Creek- City Hall- Other Bond	-	4,000,050	1,709,220	2,290,830
Recreational Trail Program	-	12,000	12,000	-
COHEN Peace Conference	-	1,825	1,575	250
EPA Brownfield Assessments	-	591,600	138,785	452,815
Department of Homeland Security	-	3,995	3,995	-
MPD OPO 2013-2014	-	-	14,840	(14,840)
MPD DUI 2013-2014	-	-	5,285	(5,285)
MPD JAG Grant 2013	-	19,972	17,975	1,997
FACADE GRANT 2013	-	11,133	11,133	-
Phase I Ball Bros Bathhouse	-	100,000	-	100,000
Cemetery Operating	92,794	307,148	393,352	6,590

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

CITY OF MUNCIE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
Probation	39,150	90,090	99,548	29,692
Cd Fy10 Home Program	-	66,903	66,903	-
Cd Fy10 CDBG Program	-	86,811	86,811	-
Park Grant	3,795	-	-	3,795
Cops Hiring Recovery	-	222,871	222,871	-
Police Donation	4,041	-	-	4,041
Parks And Recreation #3	90,174	587,058	538,950	138,282
Arborist License	11,680	5,141	3,368	13,453
Park Non-Reverting	17,122	2,900	99	19,923
Park Dept-Bert Whitely	13,854	8,453	9,885	12,422
Beech Grove Cum Bldg Maint	12,962	46,407	26,049	33,320
Mpd Interdiction	1,561	-	945	616
Mpd Lebg Safety Vest Grant	8,009	7,000	473	14,536
Drug Task Force Forfeiture	9,623	-	1,500	8,123
Mpd Uniform Forfeiture	300	-	-	300
Mpd Dare	6,127	-	-	6,127
Mpd K-9 Special Olympics	2,797	-	2,405	392
Mpd Traffic Division	-	3,600	-	3,600
Mpd Arson Investigations	9,840	-	-	9,840
Mpd Police Training	26,863	16,136	4,541	38,458
Law Enforcement Continuning Ed	60,510	66,975	53,543	73,942
Fire Department Donations	45,417	27,659	16,325	56,751
Fire Dept Smoke Alarms	514	-	509	5
Mun-Del Haz-Mat Team	171	-	-	171
Animal Shelter Donation	13,829	12,826	25,076	1,579
Rails To Trails Project	-	7,428	7,428	-
Environmental Enhancement	233,436	87	-	233,523
Cd Grants Other (Non-Hud)	-	180	-	180
Alarm Ordinance	1,990	-	-	1,990
Tif Central City	791,264	307,682	452,635	646,311
Redevelopment Tech Park	321,744	296,670	350,000	268,414
Revevelopment Commission	75,388	136,245	153,111	58,522
Industrial Develop Revolving Loan	172,460	589,848	206,765	555,543
Redevelopment Comm Other Prjs	478,413	73,097	321,172	230,338
Taxable Tax Inc & Economic Income	124	4,874,616	4,874,740	-
Cd Fy08 CDBG Program	-	109,347	109,347	-
Cd Unsafe Building Fund	82,187	58,071	20,916	119,342
Park White River Beautification	224	-	-	224
MPD Domestic Viol 07-08	225	-	-	225
Fire Safety & Equipment	532	-	-	532
Drug Task Force Federal Forfeiture	74,157	20	45,194	28,983
Community Development/ Nsp Grant	-	160,029	160,029	-
Adult Probation Services Fees	113,838	37,740	-	151,578
Cd FY99 CDBG Program	-	16,639	16,639	-
City Bond General Sinking	(17,345)	45,502	52,410	(24,253)
Redevelopment Comm/Facade	84,184	25	84,020	189
E.D.I.T.	980,086	1,494,786	1,569,041	905,831
Urban Development	672	-	-	672
Health Ins.	53,558	8,538,886	8,556,040	36,404
Beech Grove Thompson Trust	9,791	20	-	9,811
Beech Grove Cemetery Trust	25,693	53	-	25,746
Beech Grove Grace Maring	40,536	84	-	40,620
Beech Grove Hardin Rhoads	18,500	39	-	18,539
Redevelopment Comm/ Allocation	4,159,485	3,953,124	4,985,936	3,126,673
Payroll	3,162	28,967,254	28,859,671	110,745
Insurance- Other	885,720	15,390	568,398	332,712
Beech Grove Pre-Need	152,218	13,318	6,644	158,892
User Fee Law Enforcement Education	44,940	13,616	11,047	47,509
Collection Agency Parking Violation	173	243	421	(5)
Security Deposit	13,800	11,230	5,580	19,450
Tif Muncie Mall	-	1,220,946	1,220,946	-
Court Cost Due County	-	65,298	60,110	5,188

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

CITY OF MUNCIE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
City Court	93,672	930,869	947,179	77,362
Cabin Rental Deposits	1,332	18,019	17,591	1,760
Sanitation	3,022,638	6,307,873	5,848,048	3,482,463
Cumulative Building and Sinking	130,000	504,626	242,409	392,217
Reserve Operating and Maintenance	390,743	9,129	-	399,872
Revolving Sanitary Sewer Construction	32,819	2,550	-	35,369
Reserve Bond 07 Operating and Maint	1	-	-	1
Storm Water Bond and Interest	184,943	373,698	372,798	185,843
MSD Jake's Creek Bond	212,006	14	212,019	1
MSD New Equipment	134,500	-	-	134,500
Sewage Works Sinking	17,226	12,401,115	12,394,784	23,557
Sewage Debt Service Reserve	3,101,966	349,090	219,535	3,231,521
Storm Water Bond Payment	65,410	379,998	375,698	69,710
Storm Water Fee/Del Co	2,530,021	4,823,935	1,909,129	5,444,827
Recycling	141,152	156,130	79,863	217,419
88 Clean Up Race Track FD	20,477	-	17,936	2,541
RAINY FUND-MSD	64,249	-	-	64,249
5 YEAR PLANNED REPLACEMENT	255,962	-	-	255,962
MSD 2013 Bond Construction	-	28,150,995	17,922,647	10,228,348
MSD 2013- B Bond	-	3,785,000	-	3,785,000
Sewage General	<u>2,341,947</u>	<u>17,238,926</u>	<u>17,371,293</u>	<u>2,209,580</u>
Totals	<u>\$ 35,988,220</u>	<u>\$ 174,180,997</u>	<u>\$ 153,431,118</u>	<u>\$ 56,738,099</u>

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

CITY OF MUNCIE  
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, wastewater, storm water, trash, 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 may 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 MUNCIE  
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 this type 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 television receipts, ordinance violations, fines and fees, bond forfeitures, and court costs.

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), and court receipts.

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 may 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.

CITY OF MUNCIE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

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 are included as a part of the other 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 MUNCIE  
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 an agent 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  
1 North Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

CITY OF MUNCIE  
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 MUNCIE  
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  
1 North Capitol Street, 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. The overdrawn cash balance for the Bond Revenue/Tuhey Pool fund was due to no property tax levy for the fund in 2012. The overdrawn cash balance of the City Bond General Sinking fund was due to insufficient tax receipts in this fund.

**Note 8. Other Postemployment Benefits**

The City has a Sanitary District that provides to its eligible retirees and their spouses the following benefits: health insurance. These benefits create a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City's Sanitary District.

**Note 9. Subsequent Events**

In June 2014, the City's Sanitary District issued revenue bonds in the amount of \$14,000,000 for storm water projects. The majority of the projects will be in downtown Muncie. The bonds will be paid from storm water revenue.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual 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 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 supplementary information presented was approved by management of the City. It is presented as intended by the City.

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	General Fund	Motor Vehicle Highway	Local Road And Street	Parking Meter	Economic Development Operating	Clerk's Records Perpetuation	Parks And Recreation
Cash and investments - beginning	\$ 8,086,491	\$ 1,053,035	\$ 554,681	\$ 130,191	\$ 35,119	\$ 49,065	\$ 246,524
Receipts:							
Taxes	14,739,838	-	-	-	-	-	429,424
Licenses and permits	848,696	13,625	-	-	-	-	-
Intergovernmental	8,014,215	3,191,291	551,588	-	-	-	36,897
Charges for services	272,208	9,798	-	32,967	-	10,440	21,046
Fines and forfeits	360,168	18,488	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	548,440	105,863	583,576	-	-	297	232,513
Total receipts	<u>24,783,565</u>	<u>3,339,065</u>	<u>1,135,164</u>	<u>32,967</u>	<u>-</u>	<u>10,737</u>	<u>719,880</u>
Disbursements:							
Personal services	18,148,481	1,156,107	-	-	-	-	594,162
Supplies	742,844	411,189	-	-	-	-	66,846
Other services and charges	3,811,974	1,603,523	934,504	82,227	-	13,203	194,127
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	662,871	51,574	-	-	-	-	18,194
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>23,366,170</u>	<u>3,222,393</u>	<u>934,504</u>	<u>82,227</u>	<u>-</u>	<u>13,203</u>	<u>873,329</u>
Excess (deficiency) of receipts over disbursements	<u>1,417,395</u>	<u>116,672</u>	<u>200,660</u>	<u>(49,260)</u>	<u>-</u>	<u>(2,466)</u>	<u>(153,449)</u>
Cash and investments - ending	<u>\$ 9,503,886</u>	<u>\$ 1,169,707</u>	<u>\$ 755,341</u>	<u>\$ 80,931</u>	<u>\$ 35,119</u>	<u>\$ 46,599</u>	<u>\$ 93,075</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Rainy Day	Cumulative Capl Imprv Cigarette Tax	Center Township Revenue	Police Pension	Fire Pension	Bond Revenue/ Tuhey Pool	MPD Reserves Grant
Cash and investments - beginning	\$ 538,319	\$ -	\$ 342,533	\$ 1,806,252	\$ 983,502	\$ (91,831)	\$ 1,600
Receipts:							
Taxes	-	-	-	302,253	1,759,801	143,855	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	188,143	-	26,063	151,748	12,404	-
Charges for services	-	-	400,000	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	2,295,502	2,601,465	-	-
Total receipts	-	188,143	400,000	2,623,818	4,513,014	156,259	-
Disbursements:							
Personal services	-	-	-	3,425,890	3,608,190	-	-
Supplies	-	-	-	683	998	-	-
Other services and charges	-	-	-	9,893	2,776	401	-
Debt service - principal and interest	-	-	-	-	-	164,931	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	188,143	-	-	-	-	-
Total disbursements	-	188,143	-	3,436,466	3,611,964	165,332	-
Excess (deficiency) of receipts over disbursements	-	-	400,000	(812,648)	901,050	(9,073)	-
Cash and investments - ending	<u>\$ 538,319</u>	<u>\$ -</u>	<u>\$ 742,533</u>	<u>\$ 993,604</u>	<u>\$ 1,884,552</u>	<u>\$ (100,904)</u>	<u>\$ 1,600</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Land Bank	CD FY11 CDBG Program	FY11 Home Program	Fuel Surcharge	MPD JAG grant 2010	MPD JAG 2011	Historic Preservation
Cash and investments - beginning	\$ 40,783	\$ -	\$ -	\$ 894	\$ 9,136	\$ 27,102	\$ 346
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	41,762	153,167	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	41,762	153,167	-	-	-	-
Disbursements:							
Personal services	-	6,483	-	-	-	-	-
Supplies	-	2,250	-	-	-	-	-
Other services and charges	-	33,029	153,167	-	9,136	25,831	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	41,762	153,167	-	9,136	25,831	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	(9,136)	(25,831)	-
Cash and investments - ending	\$ 40,783	\$ -	\$ -	\$ 894	\$ -	\$ 1,271	\$ 346

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Indiana NSP Grant	NSP 3 HUD Grant	Muncie Endurathon Grant	Park Dept Phase II Spray Pool	Regions Bank Indiana Stamping Bond	MPD SWAT Team	MPD Towing
Cash and investments - beginning	\$ (101)	\$ -	\$ 167	\$ 75,000	\$ 1	\$ 4,760	\$ 56,839
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	329,267	690,349	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	65,000	15,275	-	30,080
Total receipts	<u>329,267</u>	<u>690,349</u>	<u>-</u>	<u>65,000</u>	<u>15,275</u>	<u>-</u>	<u>30,080</u>
Disbursements:							
Personal services	467	34,506	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	328,699	655,843	-	140,000	2,000	4,760	56,852
Debt service - principal and interest	-	-	-	-	8,000	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>329,166</u>	<u>690,349</u>	<u>-</u>	<u>140,000</u>	<u>10,000</u>	<u>4,760</u>	<u>56,852</u>
Excess (deficiency) of receipts over disbursements	<u>101</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>5,275</u>	<u>(4,760)</u>	<u>(26,772)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167</u>	<u>\$ -</u>	<u>\$ 5,276</u>	<u>\$ -</u>	<u>\$ 30,067</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	CD FY12 CDBG Program	CD FY07 Home Grant	CD FY12 Home Program	Victim Advocate 2012-2013	MPD Stop Domestic Violence 2012	MPD JAG 2012	CD Miscellaneous Fund
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 25,075	\$ (367)	\$ 17,736	\$ 7,500
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	529,048	72,255	273,015	42,594	12,883	17,736	-
Charges for services	-	-	-	21,001	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	595	-	-	500	300	-	32,000
Total receipts	<u>529,643</u>	<u>72,255</u>	<u>273,015</u>	<u>64,095</u>	<u>13,183</u>	<u>17,736</u>	<u>32,000</u>
Disbursements:							
Personal services	187,987	-	21,548	47,752	10,625	-	-
Supplies	4,546	-	-	-	-	-	-
Other services and charges	337,110	72,255	251,467	2,704	891	20,392	31,256
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	38,714	1,000	8,923	-
Total disbursements	<u>529,643</u>	<u>72,255</u>	<u>273,015</u>	<u>89,170</u>	<u>12,516</u>	<u>29,315</u>	<u>31,256</u>
Excess (deficiency) of receipts over disbursements	-	-	-	(25,075)	667	(11,579)	744
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 6,157</u>	<u>\$ 8,244</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Redevelop TIF Indiana Stamping	MPD OPO 2012-2013	MPD DUI 2012-2013	MFD Search and Rescue Dog Fund	MPD Domestic Violence Donations	MPD Corrupt Business Influence	Dog Park Sponsor Fund
Cash and investments - beginning	\$ 126	\$ (18,336)	\$ (7,274)	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	10,549	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	89,998	37,498	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	2,309	38,379	25,910	5,195
Total receipts	<u>10,549</u>	<u>89,998</u>	<u>37,498</u>	<u>2,309</u>	<u>38,379</u>	<u>25,910</u>	<u>5,195</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	10,675	29,737	16,252	-	27,434	750	3,015
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	42,900	13,972	-	-	-	-
Total disbursements	<u>10,675</u>	<u>72,637</u>	<u>30,224</u>	<u>-</u>	<u>27,434</u>	<u>750</u>	<u>3,015</u>
Excess (deficiency) of receipts over disbursements	<u>(126)</u>	<u>17,361</u>	<u>7,274</u>	<u>2,309</u>	<u>10,945</u>	<u>25,160</u>	<u>2,180</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (975)</u>	<u>\$ -</u>	<u>\$ 2,309</u>	<u>\$ 10,945</u>	<u>\$ 25,160</u>	<u>\$ 2,180</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Animal Non-Reverting Fund	CD FY13 CDBG Program	CD FY13 Home Program	MPD Victim Advocate 2013-2014	MPRD Dangerous Driving Enforce	MPD Stop Domestic Violence 13-14	EDI Grant Unity Center
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	300,047	15,990	-	5,996	-	343,000
Charges for services	20,317	-	-	9,417	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	38,715	-	1,000	-
<b>Total receipts</b>	<b>20,317</b>	<b>300,047</b>	<b>15,990</b>	<b>48,132</b>	<b>5,996</b>	<b>1,000</b>	<b>343,000</b>
Disbursements:							
Personal services	-	59,310	14,230	12,287	-	7,633	-
Supplies	-	2,250	-	-	-	-	-
Other services and charges	6,214	238,487	1,760	474	4,163	107	343,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	1,833	-	-
<b>Total disbursements</b>	<b>6,214</b>	<b>300,047</b>	<b>15,990</b>	<b>12,761</b>	<b>5,996</b>	<b>7,740</b>	<b>343,000</b>
Excess (deficiency) of receipts over disbursements	14,103	-	-	35,371	-	(6,740)	-
Cash and investments - ending	<u>\$ 14,103</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,371</u>	<u>\$ -</u>	<u>\$ (6,740)</u>	<u>\$ -</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Redevelop. TIF Downtown Expansion	Redevelopment TIF Muncie Air Park	Prairie Creek- City Hall- Other Bond	Recreational Trail Program	COHEN Peace Conference	EPA Brownfield Assessments	Department of Homeland Security
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	56,640	212,565	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	12,000	-	591,600	3,995
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	4,000,050	-	1,825	-	-
<b>Total receipts</b>	<b>56,640</b>	<b>212,565</b>	<b>4,000,050</b>	<b>12,000</b>	<b>1,825</b>	<b>591,600</b>	<b>3,995</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	16	-
Other services and charges	-	105,581	1,709,220	12,000	1,575	138,769	3,995
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>105,581</b>	<b>1,709,220</b>	<b>12,000</b>	<b>1,575</b>	<b>138,785</b>	<b>3,995</b>
Excess (deficiency) of receipts over disbursements	56,640	106,984	2,290,830	-	250	452,815	-
Cash and investments - ending	<u>\$ 56,640</u>	<u>\$ 106,984</u>	<u>\$ 2,290,830</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 452,815</u>	<u>\$ -</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	MPD OPO 2013-2014	MPD DUI 2013-2014	MPD JAG Grant 2013	FACADE GRANT 2013	Phase I Ball Bros Bathhouse	Cemetery Operating	Probation
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,794	\$ 39,150
Receipts:							
Taxes	-	-	-	-	-	166,609	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	19,972	-	-	14,366	-
Charges for services	-	-	-	-	-	106,218	90,090
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	11,133	100,000	19,955	-
Total receipts	-	-	19,972	11,133	100,000	307,148	90,090
Disbursements:							
Personal services	-	-	-	-	-	314,961	-
Supplies	-	-	-	-	-	38,662	-
Other services and charges	6,396	2,964	17,975	1,133	-	24,754	11,700
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	14,975	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	8,444	2,321	-	10,000	-	-	87,848
Total disbursements	14,840	5,285	17,975	11,133	-	393,352	99,548
Excess (deficiency) of receipts over disbursements	(14,840)	(5,285)	1,997	-	100,000	(86,204)	(9,458)
Cash and investments - ending	\$ (14,840)	\$ (5,285)	\$ 1,997	\$ -	\$ 100,000	\$ 6,590	\$ 29,692

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Cd Fy10 Home Program	Cd Fy10 CDBG Program	Park Grant	Cops Hiring Recovery	Police Donation	Parks And Recreation #3	Arborist License
Cash and investments - beginning	\$ -	\$ -	\$ 3,795	\$ -	\$ 4,041	\$ 90,174	\$ 11,680
Receipts:							
Taxes	-	-	-	-	-	2,449	-
Licenses and permits	-	-	-	-	-	10,506	3,804
Intergovernmental	66,903	86,811	-	222,871	-	-	-
Charges for services	-	-	-	-	-	562,854	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	11,249	1,337
<b>Total receipts</b>	<b>66,903</b>	<b>86,811</b>	<b>-</b>	<b>222,871</b>	<b>-</b>	<b>587,058</b>	<b>5,141</b>
Disbursements:							
Personal services	-	5,150	-	-	-	330,906	-
Supplies	-	-	-	-	-	83,495	-
Other services and charges	66,903	81,661	-	222,871	-	100,299	3,368
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	24,250	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>66,903</b>	<b>86,811</b>	<b>-</b>	<b>222,871</b>	<b>-</b>	<b>538,950</b>	<b>3,368</b>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	48,108	1,773
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,795</u>	<u>\$ -</u>	<u>\$ 4,041</u>	<u>\$ 138,282</u>	<u>\$ 13,453</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Park Non-Reverting	Park Dept-Bert Whitely	Beech Grove Cum Bldg Maint	Mpd Interdiction	Mpd Lebg Safety Vest Grant	Drug Task Force Forfeiture	Mpd Uniform Forfeiture
Cash and investments - beginning	\$ 17,122	\$ 13,854	\$ 12,962	\$ 1,561	\$ 8,009	\$ 9,623	\$ 300
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	7,000	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	2,900	8,453	46,407	-	-	-	-
Total receipts	2,900	8,453	46,407	-	7,000	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	99	-	-	-	-	-	-
Other services and charges	-	9,885	12,764	945	473	1,500	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	13,285	-	-	-	-
Total disbursements	99	9,885	26,049	945	473	1,500	-
Excess (deficiency) of receipts over disbursements	2,801	(1,432)	20,358	(945)	6,527	(1,500)	-
Cash and investments - ending	\$ 19,923	\$ 12,422	\$ 33,320	\$ 616	\$ 14,536	\$ 8,123	\$ 300

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Mpd Dare	Mpd K-9 Special Olympics	Mpd Traffic Division	Mpd Arson Investigations	Mpd Police Training	Law Enforcement Continuing Ed	Fire Department Donations
Cash and investments - beginning	\$ 6,127	\$ 2,797	\$ -	\$ 9,840	\$ 26,863	\$ 60,510	\$ 45,417
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	9,353	28,197	-
Intergovernmental	-	-	3,600	-	-	-	-
Charges for services	-	-	-	-	6,783	31,088	-
Fines and forfeits	-	-	-	-	-	7,172	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	518	27,659
Total receipts	-	-	3,600	-	16,136	66,975	27,659
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	2,405	-	-	4,541	53,543	16,325
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	2,405	-	-	4,541	53,543	16,325
Excess (deficiency) of receipts over disbursements	-	(2,405)	3,600	-	11,595	13,432	11,334
Cash and investments - ending	<u>\$ 6,127</u>	<u>\$ 392</u>	<u>\$ 3,600</u>	<u>\$ 9,840</u>	<u>\$ 38,458</u>	<u>\$ 73,942</u>	<u>\$ 56,751</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Fire Dept Smoke Alarms	Mun-Del Haz-Mat Team	Animal Shelter Donation	Rails To Trails Project	Environmental Enhancement	Cd Grants Other (Non-Hud)	Alarm Ordinance
Cash and investments - beginning	\$ 514	\$ 171	\$ 13,829	\$ -	\$ 233,436	\$ -	\$ 1,990
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	7,428	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	12,826	-	87	180	-
Total receipts	-	-	12,826	7,428	87	180	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	509	-	-	-	-	-	-
Other services and charges	-	-	25,076	7,428	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	509	-	25,076	7,428	-	-	-
Excess (deficiency) of receipts over disbursements	(509)	-	(12,250)	-	87	180	-
Cash and investments - ending	<u>\$ 5</u>	<u>\$ 171</u>	<u>\$ 1,579</u>	<u>\$ -</u>	<u>\$ 233,523</u>	<u>\$ 180</u>	<u>\$ 1,990</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Tif Central City	Redevelopment Tech Park	Revevelopment Commission	Industrial Develop Revolving Loan	Redevelopment Comm Other Prjs	Taxable Tax Increment & Economic Income	Cd Fy08 CDBG Program
Cash and investments - beginning	\$ 791,264	\$ 321,744	\$ 75,388	\$ 172,460	\$ 478,413	\$ 124	\$ -
Receipts:							
Taxes	307,221	181,753	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	114,809	136,245	-	-	-	109,347
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	461	108	-	589,848	73,097	4,874,616	-
Total receipts	<u>307,682</u>	<u>296,670</u>	<u>136,245</u>	<u>589,848</u>	<u>73,097</u>	<u>4,874,616</u>	<u>109,347</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	452,635	350,000	45,486	-	121,996	1,152	109,347
Debt service - principal and interest	-	-	-	-	53,652	4,873,588	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	107,625	206,765	145,524	-	-
Total disbursements	<u>452,635</u>	<u>350,000</u>	<u>153,111</u>	<u>206,765</u>	<u>321,172</u>	<u>4,874,740</u>	<u>109,347</u>
Excess (deficiency) of receipts over disbursements	<u>(144,953)</u>	<u>(53,330)</u>	<u>(16,866)</u>	<u>383,083</u>	<u>(248,075)</u>	<u>(124)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 646,311</u>	<u>\$ 268,414</u>	<u>\$ 58,522</u>	<u>\$ 555,543</u>	<u>\$ 230,338</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Cd Unsafe Building Fund	Park White River Beautification	MPD Domestic Viol 07-08	Fire Safety & Equipment	Drug Task Force Federal Forfeiture	Community Development/ Nsp Grant	Adult Probation Services Fees
Cash and investments - beginning	\$ 82,187	\$ 224	\$ 225	\$ 532	\$ 74,157	\$ -	\$ 113,838
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	160,029	-
Charges for services	-	-	-	-	-	-	37,740
Fines and forfeits	58,071	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	20	-	-
Total receipts	<u>58,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>160,029</u>	<u>37,740</u>
Disbursements:							
Personal services	-	-	-	-	-	4,118	-
Supplies	-	-	-	-	-	-	-
Other services and charges	20,916	-	-	-	45,194	155,911	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>20,916</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,194</u>	<u>160,029</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>37,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(45,174)</u>	<u>-</u>	<u>37,740</u>
Cash and investments - ending	<u>\$ 119,342</u>	<u>\$ 224</u>	<u>\$ 225</u>	<u>\$ 532</u>	<u>\$ 28,983</u>	<u>\$ -</u>	<u>\$ 151,578</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Cd FY99 CDBG Program	City Bond General Sinking	Redevelopment Comm/Facade	E.D.I.T.	Urban Development	Health Ins.	Beech Grove Thompson Trust
Cash and investments - beginning	\$ -	\$ (17,345)	\$ 84,184	\$ 980,086	\$ 672	\$ 53,558	\$ 9,791
Receipts:							
Taxes	-	44,585	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	16,639	917	-	1,269,040	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	25	225,746	-	8,538,886	20
Total receipts	<u>16,639</u>	<u>45,502</u>	<u>25</u>	<u>1,494,786</u>	<u>-</u>	<u>8,538,886</u>	<u>20</u>
Disbursements:							
Personal services	-	-	-	62,197	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	16,639	52,410	20	1,506,844	-	8,556,040	-
Debt service - principal and interest	-	-	84,000	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>16,639</u>	<u>52,410</u>	<u>84,020</u>	<u>1,569,041</u>	<u>-</u>	<u>8,556,040</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(6,908)</u>	<u>(83,995)</u>	<u>(74,255)</u>	<u>-</u>	<u>(17,154)</u>	<u>20</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ (24,253)</u>	<u>\$ 189</u>	<u>\$ 905,831</u>	<u>\$ 672</u>	<u>\$ 36,404</u>	<u>\$ 9,811</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Beech Grove Cemetery Trust	Beech Grove Grace Maring	Beech Grove Hardin Rhoads	Redevelopment Comm/ Allocation	Payroll	Insurance- Other	Beech Grove Pre-Need
Cash and investments - beginning	\$ 25,693	\$ 40,536	\$ 18,500	\$ 4,159,485	\$ 3,162	\$ 885,720	\$ 152,218
Receipts:							
Taxes	-	-	-	1,326,527	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	53	84	39	2,626,597	28,967,254	15,390	13,318
Total receipts	<u>53</u>	<u>84</u>	<u>39</u>	<u>3,953,124</u>	<u>28,967,254</u>	<u>15,390</u>	<u>13,318</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	39,212	28,859,671	-	-
Debt service - principal and interest	-	-	-	4,873,637	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	73,087	-	568,398	6,644
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,985,936</u>	<u>28,859,671</u>	<u>568,398</u>	<u>6,644</u>
Excess (deficiency) of receipts over disbursements	<u>53</u>	<u>84</u>	<u>39</u>	<u>(1,032,812)</u>	<u>107,583</u>	<u>(553,008)</u>	<u>6,674</u>
Cash and investments - ending	<u>\$ 25,746</u>	<u>\$ 40,620</u>	<u>\$ 18,539</u>	<u>\$ 3,126,673</u>	<u>\$ 110,745</u>	<u>\$ 332,712</u>	<u>\$ 158,892</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	User Fee Law Enforcement Education	Collection Agency Parking Violation	Security Deposit	Tif Muncie Mall	Court Cost Due County	City Court	Cabin Rental Deposits
Cash and investments - beginning	\$ 44,940	\$ 173	\$ 13,800	\$ -	\$ -	\$ 93,672	\$ 1,332
Receipts:							
Taxes	-	-	-	1,220,946	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	243	-	-	-	-	18,019
Fines and forfeits	-	-	-	-	-	930,869	-
Utility fees	-	-	-	-	-	-	-
Other receipts	13,616	-	11,230	-	65,298	-	-
Total receipts	13,616	243	11,230	1,220,946	65,298	930,869	18,019
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	11,047	421	5,580	1,220,946	60,110	947,179	17,591
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	11,047	421	5,580	1,220,946	60,110	947,179	17,591
Excess (deficiency) of receipts over disbursements	2,569	(178)	5,650	-	5,188	(16,310)	428
Cash and investments - ending	\$ 47,509	\$ (5)	\$ 19,450	\$ -	\$ 5,188	\$ 77,362	\$ 1,760

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Sanitation	Cumulative Building and Sinking	Reserve Operating and Maintenance	Revolving Sanitary Sewer Construction	Reserve Bond 07 Operating and Maint	Storm Water Bond and Interest	MSD Jake's Creek Bond
Cash and investments - beginning	\$ 3,022,638	\$ 130,000	\$ 390,743	\$ 32,819	\$ 1	\$ 184,943	\$ 212,006
Receipts:							
Taxes	5,310,210	457,733	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	919,379	42,749	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	37,763	465	-	2,550	-	-	-
Other receipts	40,521	3,679	9,129	-	-	373,698	14
Total receipts	<u>6,307,873</u>	<u>504,626</u>	<u>9,129</u>	<u>2,550</u>	<u>-</u>	<u>373,698</u>	<u>14</u>
Disbursements:							
Personal services	2,287,670	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	372,798	-
Capital outlay	542,516	-	-	-	-	-	-
Utility operating expenses	2,815,559	242,409	-	-	-	-	212,019
Other disbursements	202,303	-	-	-	-	-	-
Total disbursements	<u>5,848,048</u>	<u>242,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>372,798</u>	<u>212,019</u>
Excess (deficiency) of receipts over disbursements	<u>459,825</u>	<u>262,217</u>	<u>9,129</u>	<u>2,550</u>	<u>-</u>	<u>900</u>	<u>(212,005)</u>
Cash and investments - ending	<u>\$ 3,482,463</u>	<u>\$ 392,217</u>	<u>\$ 399,872</u>	<u>\$ 35,369</u>	<u>\$ 1</u>	<u>\$ 185,843</u>	<u>\$ 1</u>

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	MSD New Equipment	Sewage Works Sinking	Sewage Debt Service Reserve	Storm Water Bond Payment	Storm Water Fee/Del Co	Recycling	88 Clean Up Race Track FD
Cash and investments - beginning	\$ 134,500	\$ 17,226	\$ 3,101,966	\$ 65,410	\$ 2,530,021	\$ 141,152	\$ 20,477
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,000	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	4,193,788	-	-
Other receipts	-	12,401,115	349,090	379,998	630,147	155,130	-
Total receipts	-	12,401,115	349,090	379,998	4,823,935	156,130	-
Disbursements:							
Personal services	-	-	-	-	72,493	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	12,394,784	-	375,698	-	-	-
Capital outlay	-	-	-	-	88,116	-	-
Utility operating expenses	-	-	-	-	1,118,522	79,863	17,936
Other disbursements	-	-	219,535	-	629,998	-	-
Total disbursements	-	12,394,784	219,535	375,698	1,909,129	79,863	17,936
Excess (deficiency) of receipts over disbursements	-	6,331	129,555	4,300	2,914,806	76,267	(17,936)
Cash and investments - ending	\$ 134,500	\$ 23,557	\$ 3,231,521	\$ 69,710	\$ 5,444,827	\$ 217,419	\$ 2,541

CITY OF MUNCIE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	RAINY FUND-MSD	5 YEAR PLANNED REPLACEMENT	MSD 2013 Bond Construction	MSD 2013- B Bond	Sewage General	Totals
Cash and investments - beginning	\$ 64,249	\$ 255,962	\$ -	\$ -	\$ 2,341,947	\$ 35,988,220
Receipts:						
Taxes	-	-	-	-	-	26,672,958
Licenses and permits	-	-	-	-	-	914,181
Intergovernmental	-	-	-	-	-	18,933,654
Charges for services	-	-	-	-	-	1,650,229
Fines and forfeits	-	-	-	-	-	1,374,768
Utility fees	-	-	-	-	15,307,349	19,541,915
Other receipts	-	-	28,150,995	3,785,000	1,931,577	105,093,292
Total receipts	-	-	28,150,995	3,785,000	17,238,926	174,180,997
Disbursements:						
Personal services	-	-	-	-	6,338,233	36,751,386
Supplies	-	-	-	-	-	1,354,387
Other services and charges	-	-	-	-	-	54,702,484
Debt service - principal and interest	-	-	-	-	-	23,201,088
Capital outlay	-	-	7,300,768	-	679,873	9,383,137
Utility operating expenses	-	-	1,587,566	-	6,544,103	12,617,977
Other disbursements	-	-	9,034,313	-	3,809,084	15,420,659
Total disbursements	-	-	17,922,647	-	17,371,293	153,431,118
Excess (deficiency) of receipts over disbursements	-	-	10,228,348	3,785,000	(132,367)	20,749,879
Cash and investments - ending	\$ 64,249	\$ 255,962	\$ 10,228,348	\$ 3,785,000	\$ 2,209,580	\$ 56,738,099

CITY OF MUNCIE  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 485,696	\$ 2,161,205
Governmental activities	<u>3,044,791</u>	<u>2,541,468</u>
Totals	<u>\$ 3,530,487</u>	<u>\$ 4,702,673</u>

CITY OF MUNCIE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
FIRST MERCHANTS BANK	MUN-DEL CITY SHARE OF JUSTICE CENTER	\$ 52,410	6/28/2002	12/31/2014
STAR FINANCIAL BANK	2012 POLICE VEHICLES	86,406	1/15/2013	1/15/2017
STAR FINANCIAL FIRE TRUCK	FIRE TRUCK	20,729	7/3/2012	9/15/2020
THE BANK OF NEW YORK TRUST	CONVENTION CENTER	<u>280,000</u>	3/14/2002	12/31/2021
Total governmental activities		<u>439,545</u>		
Total of annual lease payments		<u>\$ 439,545</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	INDIANA STAMPING PROJECT	\$ 400,000	\$ 8,000
Revenue bonds	INDIANA PARK DISTRICT BONDS FOR TUHEY POOL	1,925,000	168,431
Revenue bonds	LEASE RENTAL REVENUE REFUNDING BONDS	6,860,000	886,273
Revenue bonds	OLD NATIONAL BANK	<u>4,411,000</u>	<u>595,676</u>
Total governmental activities		<u>13,596,000</u>	<u>1,658,380</u>
Wastewater:			
General obligation bonds	TCF EQUIPMENT FINANCE INC	425,638	147,614
Revenue bonds	SANITARY DISTRICT REVENUE BONDS SERIES 2013 B	3,785,000	83,554
Revenue bonds	SANITARY DISTRICT REVENUE BOND OF 2007	4,000,000	374,498
Revenue bonds	2005 SRF 17 960 000	13,237,000	1,197,169
Revenue bonds	SRF BONDS	<u>35,650,000</u>	<u>1,590,221</u>
Total Wastewater		<u>57,097,638</u>	<u>3,393,056</u>
Totals		<u>\$ 70,693,638</u>	<u>\$ 5,051,436</u>

CITY OF MUNCIE  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2013

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	\$ 2,206,799
Buildings	8,467,493
Improvements other than buildings	7,375,841
Machinery, equipment, and vehicles	16,049,905
Total governmental activities	34,100,038
Wastewater:	
Land	235,920
Buildings	8,838,645
Improvements other than buildings	55,864,381
Machinery, equipment, and vehicles	20,084,708
Construction in progress	440,314
Total Wastewater	85,463,968
Total capital assets	\$ 119,564,006

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF MUNCIE, DELAWARE COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

We have audited the City of Muncie'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, 2013. 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, 2013.

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.

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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

August 28, 2014

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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 MUNCIE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2013

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 Commerce</u>				
Economic Development Cluster				
Economic Adjustment Assistance	Direct Grant			
Revolving Loan Program		11.307	06-19-01414	\$ 2,830,033
<u>Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Grants/Entitlement Grants	Direct Grant			
		14.218	B-08-MN-18-0009	690,349
			B-08-SP-IN-0545	343,000
			B-09-MC-18-00102	16,639
			B-10-MC-18-00102	86,811
			B-11-MC-18-00102	41,762
			B-11-MC-18-00102	109,347
			B-12-MC-18-102	528,998
			B-13-MC-18-102	300,047
				<u>2,116,953</u>
Total - Community Development Grants/Entitlement Grants				<u>2,116,953</u>
ARRA - Community Development Block Grants/Special Purpose Grants	Direct Grant			
		14.254	B-08-MN-18-009	160,029
Total - CDBG - Entitlement Grants Cluster				<u>2,276,982</u>
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Indiana Housing and Community Development Authority			
		14.228	HD-011-002	329,267
Total - CDBG - State-Administered CDBG Cluster				<u>329,267</u>
Home Investment Partnerships Program	Direct Grant			
		14.239	M-07-MC-18-0206	72,255
			M-10-MC-18-206	66,903
			M-11-MC-18-206	153,167
			M-12-MC-18-206	273,015
			M-13-MC-18-0206	15,990
Total - Home Investment Partnerships Program				<u>581,330</u>
Total - Department of Housing and Urban Development				<u>3,187,579</u>
<u>Department of Justice</u>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute			
		16.738	2012-DJ-BX-0233	29,314
			2013-DJ-BX-0728	17,975
Total - JAG Program Cluster				<u>47,289</u>
Crime Victim Assistance	Indiana Criminal Justice Institute			
		16.575	2011-VA-GX-0039	42,594

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

CITY OF MUNCIE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2013  
(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>				
Violence Against Women Formula Grants	Indiana Criminal Justice Institute	16.588	2011-WF-AX-0010	<u>12,883</u>
Bulletproof Vest Partnership Program	Direct Grant	16.607	NONE	<u>7,000</u>
Public Safety Partnership and Community Policing Grants	Direct Grant	16.710	2009RKWX0339	<u>222,871</u>
Total - Department of Justice				<u>332,637</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Dept of Transportation	20.205	DES#0401076 DES#0501032 DES#0501033 DES#0600198 STP-M480(003) DES#0710089 DES#0800089 DES#1005469	29,992 38,587 4,368 4,489 5,506 191,611 26,800 29,960
Total - Highway Planning and Construction Cluster				<u>331,313</u>
Highway Safety Cluster State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	14.92 1979	89,998 <u>5,996</u>
Total - State and Community Highway Safety				<u>95,994</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	1396	<u>37,497</u>
Total - Highway Safety Cluster				<u>133,491</u>
Total - Department of Transportation				<u>464,804</u>
<u>Environmental Protection Agency</u>				
ARRA - Brownfields Assessment and Cleanup Cooperative Agreements	Direct Grant	66.818	00E01073	<u>138,785</u>
<u>Department of Homeland Security</u>				
Staffing for Adequate Fire and Emergency Response (SAFER)	Direct Grant	97.083	EMW-2011-FH-00779	<u>2,695,124</u>
Total federal awards expended				<u>\$ 9,648,962</u>

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

CITY OF MUNCIE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards 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 schedule, the City provided federal awards to sub-recipients as follows for the year ended December 31, 2013:

Program Title	Federal CFDA Number	2013
Community Development Block Grants/Entitlement Grants	14.218	\$ 1,235,386
Home Investment Partnerships Program	14.239	412,758
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	328,699
Edward Byrne Memorial Justice Assistance Grant Program	16.738	33,937
State and Community Highway Safety	20.600	33,900
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	16,252

**Note 3. Calculation of Expenditures of the Economic Development Cluster presented on the SEFA**

Balance of RLF loans outstanding at the end of the recipient's fiscal year	\$ 2,548,786
Plus: Cash and Investment balance in the RLF at the end of the recipients fiscal year	555,543
Plus: Administrative expenses paid out of RLF income during the recipients fiscal year	73,418
Plus: Unpaid principal of all loans written off during the recipients fiscal year	<u>1,067,302</u>
Total "Expenditures"	4,245,049
Calculation for Federal Participation Rate	
Original Grant	5,000,000
Original Match (In-kind - Donated Warner Gear Buildings)	<u>2,500,000</u>
Total Original Grant with Original Match	7,500,000
Federal Participation Rate (Federal grant awarded divided by total program)	0.666666667
Total for SEFA (Total "Expenditures" times Federal Participation Rate)	<u><u>\$ 2,830,033</u></u>

CITY OF MUNCIE  
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?	no
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
	Economic Development Cluster
	CDBG - Entitlement Grants Cluster
	CDBG - State Administered CDBG Cluster
14.239	Home Investment Partnerships Program
	Highway Planning and Construction Cluster
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)

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 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING - SCHEDULE OF EXPENDITURES OF FEDERAL AWARD (SEFA)**

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). The City should have 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 operates effectively, material misstatements of the SEFA could remain undetected.

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

During the audit of the SEFA, we noted the omission of a major program (the Economic Development Cluster). The reported SEFA ending December 31, 2013, did not properly reflect federal expenditures of the City. Federal expenditures in the form of one grant totaling \$2,830,033 were left off the schedule in error. Audit adjustments 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 MUNCIE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***Section III - Federal Award Findings and Questioned Costs***

No matters are reportable.

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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.



**August 26, 2014**

**Below is what has been done to correct the federal findings on the prior years audit.**

**Finding 2012-1**

- The Controller's office has met with the IT department and the software company to get the setup corrected on the software. There has been extra training on the software and balancing the funds. The Controller has done an audit on the credit card transactions in the building commissioner's office and it has been corrected. The payroll deduction issues have been backed up and sent to the software company to fix their errors.

**SEFA**

**Finding 2012-2**

- The controller's clerk is entering grant information now and the Controller will approve what is being entered. There have been procedure changes and all grant administrators now have been trained to follow receipts and disbursements on the software.

**Allowable Activities/Allowable Costs and Cash Management**

**Finding 2012-3**

- We no longer have this grant. We will not allow two-party checks any more.

## **Allowable Activities/Allowable Costs**

### **Finding 2012-4**

- The previous mayor had made the commitment for the \$200,000 for this project. We now make sure that RFPs are done for all projects.

## **Highway Planning and Construction**

### **Finding 2012-5**

- In relation to finding 2012-5 previous controls over reporting and cash management, inefficacious procedures were identified, as federal and state awards require a system of proper documentation of filing of appropriate reports. Following the audit by the State Board of Accounts, the City of Muncie has recognized the aforementioned errors and has undergone a reallocation of duties and processes to amend said errors. A streamlined process has been developed and responsibilities have been appropriately allocated.

## **Safer**

### **Finding 2012-6**

- In regards to finding 2012-6 the City of Muncie was able to identify inefficient controls over cash management of the federal award in which the finding refers. Previous controls allowed for minute errors in terms of reporting to go unrecognized prior to the audit. In an effort to amend such inefficiencies the City of Muncie management has undergone an institutional structure to change to allow for greater oversight over reimbursement and drawdown of funds. Specifically a delegation of duties has been imposed in an effort to identify accounting errors should they occur in the future.

A handwritten signature in cursive script, appearing to read "Andy Jones". The signature is written in black ink and is positioned in the lower-left quadrant of the page.



August 28, 2014

SEFA

Finding 2013-001

*Corrective Action*

- In Regards to finding 2013-001 Internal Controls over Financial Transactions and Reporting the Controller was unaware that the revolving loan fund was considered a Federal Grant. It was unintentionally left off the grant schedule and will be added in future years.

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the authority. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.