

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, 2014 to December 31, 2014



FILED
02/02/2017

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|--|--|
| Controller | Audrey Jones | 01-01-14 to 12-31-16 |
| Mayor | Dennis Tyler | 01-01-12 to 12-31-19 |
| President of the Board of Public Works and Safety | John Quirk | 01-01-14 to 12-31-16 |
| President of the Common Council | Julius Anderson Mary Jo Barton Jerry Dishman | 01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16 |
| Sanitary Board President | Bill Smith | 01-01-14 to 12-31-16 |



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, 2014, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2014.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.


Other Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

December 19, 2016



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE CITY OF 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, 2014, and the related notes to the financial statement, and have issued our report thereon dated December 19, 2016, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001, 2014-002, and 2014-003 to be material weaknesses.

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 items 2014-001 and 2014-003.

City of Muncie's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

December 19, 2016

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

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

| Fund | Cash and Investments 01-01-14 | Receipts | Disbursements | Cash and Investments 12-31-14 |
|---|-------------------------------------|---------------|---------------|-------------------------------------|
| General | \$ 9,503,886 | \$ 24,129,912 | \$ 25,040,865 | \$ 8,592,933 |
| Motor Vehicle Highway | 1,169,707 | 4,184,660 | 3,656,594 | 1,697,773 |
| Local Road And Street | 755,341 | 875,193 | 1,086,848 | 543,686 |
| Parking Meter | 80,931 | 36,945 | 7,091 | 110,785 |
| Economic Development Operating | 35,119 | - | - | 35,119 |
| Clerk's Records Perpetuation | 46,599 | 8,625 | 9,321 | 45,903 |
| Parks And Recreation | 93,075 | 1,284,244 | 1,057,042 | 320,277 |
| Rainy Day | 538,319 | - | - | 538,319 |
| Cumulative Capital Improvement Cigarette Tax | - | 185,385 | 185,385 | - |
| Center Township Revenue | 742,533 | 400,000 | 210,200 | 932,333 |
| Police Pension | 993,604 | 3,583,646 | 3,638,993 | 938,257 |
| Fire Pension | 1,884,552 | 3,208,439 | 3,734,386 | 1,358,605 |
| Bond Revenue/ Tuhey Pool | (100,904) | 157,291 | 167,231 | (110,844) |
| MPD Reserves Grant | 1,600 | - | - | 1,600 |
| Land Bank | 40,783 | - | - | 40,783 |
| CD FY11 CDBG Program | - | 45,984 | 45,984 | - |
| FY11 Home Program | - | 26,568 | 26,568 | - |
| Fuel Surcharge | 894 | - | - | 894 |
| MPD JAG Grant 2011 | 1,271 | - | 1,271 | - |
| Historic Preservation | 346 | - | 49 | 297 |
| NSP 3 HUD Grant | - | 8,017 | 8,017 | - |
| Muncie Endurathon Grant | 167 | - | - | 167 |
| Regions Bank Indiana Stamping Bond | 5,276 | 5,333 | 10,609 | - |
| MPD Towing | 30,067 | 32,081 | 5,953 | 56,195 |
| CD FY12 CDBG Program | - | 177,032 | 177,032 | - |
| CD FY12 Home Program | - | 163,824 | 163,824 | - |
| MPD Stop Domestic Violence 2012 | 300 | - | 300 | - |
| MPD JAG Grant 2012 | 6,157 | - | 6,157 | - |
| CD Miscellaneous | 8,244 | 37 | 7,961 | 320 |
| Redevelopment TIF Indiana Stamping | - | 5,333 | 5,333 | - |
| MPD OPO 2012-2013 | (975) | 975 | - | - |
| MFD Search and Rescue Dog | 2,309 | - | - | 2,309 |
| MPD Domestic Violence Donations and Contributions | 10,945 | 1,790 | 1,533 | 11,202 |
| MPD Corrupt Business Influence | 25,160 | 318 | 14,696 | 10,782 |
| Dog Park Sponsor | 2,180 | 4,435 | 4,760 | 1,855 |
| Animal Non-Reverting | 14,103 | 15,518 | 26,165 | 3,456 |
| CD FY13 CDBG Program | - | 810,741 | 810,741 | - |
| CD FY13 Home Program | - | 111,583 | 111,583 | - |
| Levy Excess | - | 46 | - | 46 |
| MPD Stop Domestic Violence 13-14 | (6,740) | 20,320 | 13,580 | - |
| Redevelopment TIF Muncie Downtown Expansion | 56,640 | 45,959 | - | 102,599 |
| Redevelopment TIF Muncie Air Park | 106,984 | 183,752 | 208,201 | 82,535 |
| Prairie Creek-City Hall-Other Bond | 2,290,830 | 97 | 1,831,400 | 459,527 |
| Recreational Trail Program | - | 56,000 | 142,000 | (86,000) |
| COHEN Peace Conference | 250 | 50 | 250 | 50 |
| EPA Brownfield Assessments | 452,815 | 297,498 | 736,128 | 14,185 |
| MPD OPO 2013-2014 | (14,840) | 90,000 | 75,160 | - |
| MPD DUI 2013-2014 | (5,285) | 37,496 | 32,211 | - |
| MPD JAG Grant 2013 | 1,997 | 19,971 | 20,603 | 1,365 |
| Facade Grant 2013 | - | 1,239,000 | 1,239,000 | - |
| Phase I Ball Brothers Bathhouse | 100,000 | - | 100,000 | - |
| CD FY14 CDBG Program | - | 151,247 | 151,247 | - |
| City Levy Excess | - | 116 | - | 116 |
| CD FY 14 Home Program | - | 70,034 | 70,034 | - |
| MPD Victim Advocate 2013-2014 | 35,371 | 90,038 | 81,636 | 43,773 |
| MPD 2014 Equipment Grant | - | 15,000 | 15,000 | - |
| MPD JAG grant 2014 | - | 36,895 | - | 36,895 |
| MFD Safe Station | - | 250 | - | 250 |

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, 2014
(Continued)

| Fund | Cash and Investments 01-01-14 | Receipts | Disbursements | Cash and Investments 12-31-14 |
|---|-------------------------------------|------------|---------------|-------------------------------------|
| Historic Pres Grant- Cornerstone | - | 50,000 | 50,000 | - |
| RDC TIF 2014 Multi TIF Bond | - | 7,000,000 | 1,184,290 | 5,815,710 |
| RDC TIF Muncie South Muncie | - | 56,045 | 8,720 | 47,325 |
| Bath house-George & Frances Ball | - | 50,000 | - | 50,000 |
| Gateway Park Project Grant | - | 63,000 | - | 63,000 |
| Ball Bros Foundation Grant Beech Grove | - | 64,403 | 3,215 | 61,188 |
| Economic Development Income Tax Revenue Bond 2013 Sinking | - | 375,000 | 250,000 | 125,000 |
| MRC Madison Street Bond | - | 1,400,000 | - | 1,400,000 |
| MFD Equipment Grant | - | 3,993 | - | 3,993 |
| City of Muncie Redevelopment Community Parking Garage | - | 1,957,040 | 1,300,149 | 656,891 |
| MPD Stop Domestic Violence 14-15 | - | - | 15,673 | (15,673) |
| MPD OPO 2014-2015 | - | - | 16,907 | (16,907) |
| MPD DUI 2014-2015 | - | - | 4,914 | (4,914) |
| Fire Station #1 Historic Preservation Grant | - | - | 5,000 | (5,000) |
| Cemetery Operating | 6,590 | 562,825 | 434,918 | 134,497 |
| Probation | 29,692 | 50,461 | 35,294 | 44,859 |
| CD FY10 CDBG Program | - | 29,903 | 29,903 | - |
| Park Grant | 3,795 | 77,045 | - | 80,840 |
| Police Donation | 4,041 | - | - | 4,041 |
| Parks And Recreation #3 | 138,282 | 611,297 | 690,495 | 59,084 |
| Arborist License | 13,453 | 4,972 | 3,562 | 14,863 |
| Park Non-Reverting | 19,923 | 73,772 | 8,680 | 85,015 |
| Park Dept-Bert Whitely | 12,422 | 3,759 | 9,521 | 6,660 |
| Beech Grove Cumulative Building Maintenance | 33,320 | 52,105 | 43,764 | 41,661 |
| MPD Interdiction | 616 | - | - | 616 |
| MPD Lebg Safety Vest Grant | 14,536 | 3,337 | 3,775 | 14,098 |
| Drug Task Force Forfeiture | 8,123 | - | 8,123 | - |
| MPD Uniform Forfeiture | 300 | - | - | 300 |
| MPD Dare | 6,127 | - | - | 6,127 |
| MPD K-9 Special Olympics | 392 | 100 | 238 | 254 |
| MPD Traffic Division | 3,600 | 4,025 | - | 7,625 |
| MPD Arson Investigations | 9,840 | - | - | 9,840 |
| MPD Police Training | 38,458 | 12,533 | 10,033 | 40,958 |
| Law Enforcement Continuning Education | 73,942 | 68,777 | 49,859 | 92,860 |
| Fire Department Donations | 56,751 | 23,565 | 785 | 79,531 |
| Fire Dept Smoke Alarms | 5 | - | - | 5 |
| Mun-Del-Haz-Mat Team | 171 | - | - | 171 |
| Animal Shelter Donation | 1,579 | 32,470 | 26,666 | 7,383 |
| Rails To Trails Project | - | 23,172 | 23,172 | - |
| Environmental Enhancement | 233,523 | 98 | - | 233,621 |
| CD Grants Other (Non-Hud) | 180 | - | - | 180 |
| Alarm Ordinance | 1,990 | - | - | 1,990 |
| TIF Central City | 646,311 | 329,980 | 374,687 | 601,604 |
| Redevelopment Tech Park | 268,414 | 147,893 | 298,000 | 118,307 |
| Redevelopment Commission | 58,522 | 85,274 | 63,965 | 79,831 |
| Industrial Development Revolving Loan | 555,543 | 288,322 | 120,718 | 723,147 |
| Redevelopment Commission Other Projects | 230,338 | 195,524 | 422,191 | 3,671 |
| CD Unsafe Building | 119,342 | 33,214 | 23,948 | 128,608 |
| Park White River Beautification | 224 | - | - | 224 |
| Park Beautification Program | 225 | - | - | 225 |
| Fire Safety & Equipment | 532 | - | - | 532 |
| Drug Task Force Federal Forfeiture | 28,983 | 7,634 | 32,704 | 3,913 |
| Adult Probation Services Fees | 151,578 | 21,250 | - | 172,828 |
| City Bond General Sinking | (24,253) | 20,865 | 26,235 | (29,623) |
| Redevelopment Comm/ Facade | 189 | - | 189 | - |
| E.D.I.T. | 905,831 | 2,070,391 | 2,235,733 | 740,489 |
| Urban Development | 672 | - | - | 672 |
| Health Insurance | 36,404 | 11,202,639 | 11,202,161 | 36,882 |

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, 2014
(Continued)

| Fund | Cash and Investments 01-01-14 | Receipts | Disbursements | Cash and Investments 12-31-14 |
|--|-------------------------------------|-----------------------|-----------------------|-------------------------------------|
| Beech Grove Thompson Trust | 9,811 | 21 | - | 9,832 |
| Beech Grove Cemetery Trust | 25,746 | 53 | - | 25,799 |
| Beech Grove Grace Maring | 40,620 | 85 | - | 40,705 |
| Beech Grove Hardin Rhoads | 18,539 | 38 | - | 18,577 |
| Redevelopment Commission/ Allocation | 3,126,673 | 696,364 | 953,834 | 2,869,203 |
| Payroll | 110,745 | 30,165,227 | 30,190,824 | 85,148 |
| Insurance- Other | 332,712 | 380,361 | 675,425 | 37,648 |
| Beech Grove Pre-Need | 158,892 | 8,368 | 12,480 | 154,780 |
| User Fee Law Enforcement Education | 47,509 | 12,809 | 12,672 | 47,646 |
| Collection Agency Parking Violation | (5) | 60 | 55 | - |
| Security Deposit | 19,450 | 58,300 | 5,540 | 72,210 |
| TIF Muncie Mall | - | 1,179,880 | 592,930 | 586,950 |
| Court Cost Due County | 5,188 | 65,016 | 70,204 | - |
| City Court | 77,362 | 846,533 | 835,648 | 88,247 |
| Cabin Rental Deposits | 1,760 | 19,991 | 20,231 | 1,520 |
| Sanitation | 3,482,463 | 6,393,453 | 5,488,413 | 4,387,503 |
| Cumulative Building and Sinking | 392,217 | 773,172 | 513,844 | 651,545 |
| Reserve Operating and Maintenance | 399,872 | 10,178 | - | 410,050 |
| Revolving Sanitary Sewer Construction | 35,369 | 2,800 | - | 38,169 |
| Reserve Bond 07 Operating and Maintenance | 1 | 2,000 | 2,000 | 1 |
| Storm Water Bond and Interest | 185,843 | 375,199 | 560,997 | 45 |
| MSD Jake's Creek Bond | 1 | - | - | 1 |
| MSD New Equipment | 134,500 | - | 20,000 | 114,500 |
| Sewage Works Sinking | 23,557 | 4,191,867 | 4,121,328 | 94,096 |
| Sewage Debt Service Reserve | 3,231,521 | 382,077 | - | 3,613,598 |
| Storm Water Bond Payment | 69,710 | 865,737 | 935,208 | 239 |
| Storm Water Fee/ Delaware County | 5,444,827 | 4,265,535 | 3,791,138 | 5,919,224 |
| Recycling | 217,419 | 55,125 | 100,669 | 171,875 |
| 88 Clean Up Race Track FD | 2,541 | 6,000 | 4,282 | 4,259 |
| Rainy Day- MSD | 64,249 | - | - | 64,249 |
| 5 Year Planned Replacement | 255,962 | - | - | 255,962 |
| MSD 2013 Bond Construction | 10,228,348 | 47,128 | 7,703,592 | 2,571,884 |
| MSD 2013- B Bond | 3,785,000 | 1,018 | 3,372,361 | 413,657 |
| MSD 2014 Stormwater Bond Construction | - | 14,014,896 | 6,878,806 | 7,136,090 |
| Sewage General | 2,209,580 | 17,910,397 | 17,358,551 | 2,761,426 |
| ARC Hotel Project, Note | - | 1,551,297 | - | 1,551,297 |
| ARC Hotel Project, Reserve | - | 1,000,000 | - | 1,000,000 |
| ARC Hotel Project, Project | - | 1,878,000 | 1,867,390 | 10,610 |
| Cardinal Square/DAC Project Construction | 1,192,002 | 1,278,826 | 2,244,056 | 226,772 |
| Cardinal Square/DAC Project Capitalized Interest | 550,012 | 43 | 225,908 | 324,147 |
| Cardinal Square/DAC Project Bond | - | 226,778 | 226,778 | - |
| MAP Muncie North, LLC Construction Bond | - | 2,257,101 | 2,066,500 | 190,601 |
| Indiana Stamping Project Reimbursement | - | 608 | 608 | - |
| Series 2014A-2014A Project | - | 12,634,454 | 806,640 | 11,827,814 |
| Series 2014B-2014B Project | - | 1,693,596 | 131,591 | 1,562,005 |
| Series 2014B Bond Acct of the Bond | - | 1,365,665 | - | 1,365,665 |
| Series 2014A Bond Acct of the Bond | - | 306,421 | - | 306,421 |
| Totals | <u>\$ 58,480,113</u> | <u>\$ 175,796,838</u> | <u>\$ 155,747,632</u> | <u>\$ 78,529,319</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, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes, which can include one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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 the following: 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 these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services, which can include, but are not limited to, the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits, which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees, which are comprised mostly of charges for current services.

Penalties, which include fees received for late payments.

Other receipts, which include amounts received from various sources which can include, but are not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services, which 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, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

CITY OF MUNCIE
NOTES TO FINANCIAL STATEMENT
(Continued)

Debt service - principal and interest, which includes fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay, which includes 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, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable

CITY OF MUNCIE
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

CITY OF MUNCIE
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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.

CITY OF MUNCIE
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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

Plan Description

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

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

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

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains funds with deficits in cash. The overdrawn cash balance for 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. Restatements

For the year ended December 31, 2014, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the City. The following schedule presents a summary of restated beginning balances:

CITY OF MUNCIE
NOTES TO FINANCIAL STATEMENT
(Continued)

| Fund Name | Balance as of December 31, 2013 | Prior Period Adjustment | Balance as of January 1, 2014 |
|--|---------------------------------------|----------------------------|--|
| Cardinal Square/ DAC Project Construction | \$ - | \$ 1,192,002 | \$ 1,192,002 |
| Cardinal Square/ DAC Project Capitalized Interest | - | 550,012 | 550,012 |

Note 9. Subsequent Events

On June 10, 2015, an ordinance was passed by the City's Common Council authorizing economic development tax increment bonds totaling \$2,200,000. The proceeds are to be used for various economic development ventures around the Muncie Mall. The bonds mature on January 15, 2040.

Note 10. Other Postemployment Benefits

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

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OTHER INFORMATION - UNAUDITED

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

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the City. It is presented as intended by the City.

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

| | General | Motor Vehicle Highway | Local Road and Street | Parking Meter | Economic Development Operating | Clerk's Records Perpetuation | Parks and Recreation |
|--|---------------------|-----------------------------|-----------------------------|-------------------|--------------------------------------|------------------------------------|-------------------------|
| Cash and investments - beginning | \$ 9,503,886 | \$ 1,169,707 | \$ 755,341 | \$ 80,931 | \$ 35,119 | \$ 46,599 | \$ 93,075 |
| Receipts: | | | | | | | |
| Taxes | 14,560,426 | - | - | - | - | - | 1,090,244 |
| Licenses and permits | 763,311 | 26,100 | - | - | - | - | - |
| Intergovernmental receipts | 7,211,926 | 3,678,137 | 848,156 | - | - | - | 95,219 |
| Charges for services | 528,548 | - | - | 35,945 | - | 8,625 | 21,855 |
| Fines and forfeits | 245,218 | 31,363 | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 820,483 | 449,060 | 27,037 | 1,000 | - | - | 76,926 |
| Total receipts | <u>24,129,912</u> | <u>4,184,660</u> | <u>875,193</u> | <u>36,945</u> | <u>-</u> | <u>8,625</u> | <u>1,284,244</u> |
| Disbursements: | | | | | | | |
| Personal services | 19,818,509 | 1,367,641 | - | - | - | - | 746,012 |
| Supplies | 663,961 | 579,215 | - | - | - | - | 71,763 |
| Other services and charges | 4,109,764 | 1,639,578 | 1,086,848 | 7,091 | - | 9,321 | 201,525 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | 322,951 | 70,160 | - | - | - | - | 37,742 |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 125,680 | - | - | - | - | - | - |
| Total disbursements | <u>25,040,865</u> | <u>3,656,594</u> | <u>1,086,848</u> | <u>7,091</u> | <u>-</u> | <u>9,321</u> | <u>1,057,042</u> |
| Excess (deficiency) of receipts over disbursements | <u>(910,953)</u> | <u>528,066</u> | <u>(211,655)</u> | <u>29,854</u> | <u>-</u> | <u>(696)</u> | <u>227,202</u> |
| Cash and investments - ending | <u>\$ 8,592,933</u> | <u>\$ 1,697,773</u> | <u>\$ 543,686</u> | <u>\$ 110,785</u> | <u>\$ 35,119</u> | <u>\$ 45,903</u> | <u>\$ 320,277</u> |

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

| | Rainy Day | Cumulative Capital Improvement Cigarette Tax | Center Township Revenue | Police Pension | Fire Pension | Bond Revenue/ Tuhey Pool | MPD Reserves Grant |
|--|--------------|--|-------------------------------|-------------------|-----------------|-----------------------------------|--------------------------|
| Cash and investments - beginning | \$ 538,319 | \$ - | \$ 742,533 | \$ 993,604 | \$ 1,884,552 | \$ (100,904) | \$ 1,600 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | 3,400,458 | 3,108,797 | 149,677 | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | 185,385 | - | 115,361 | 62,224 | 7,614 | - |
| Charges for services | - | - | 400,000 | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | - | 67,827 | 37,418 | - | - |
| Total receipts | - | 185,385 | 400,000 | 3,583,646 | 3,208,439 | 157,291 | - |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | 1,369,215 | 1,157,509 | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | 185,385 | - | 2,269,351 | 2,576,877 | 167,231 | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | 210,200 | 427 | - | - | - |
| Total disbursements | - | 185,385 | 210,200 | 3,638,993 | 3,734,386 | 167,231 | - |
| Excess (deficiency) of receipts over disbursements | - | - | 189,800 | (55,347) | (525,947) | (9,940) | - |
| Cash and investments - ending | \$ 538,319 | \$ - | \$ 932,333 | \$ 938,257 | \$ 1,358,605 | \$ (110,844) | \$ 1,600 |

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

| | Land Bank | CD FY11 CDBG Program | FY11 Home Program | Fuel Surcharge | MPD JAG Grant 2011 | Historic Preservation | NSP 3 HUD Grant |
|--|--------------|----------------------------|----------------------|-------------------|--------------------------|--------------------------|-----------------------|
| Cash and investments - beginning | \$ 40,783 | \$ - | \$ - | \$ 894 | \$ 1,271 | \$ 346 | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | 45,984 | 26,568 | - | - | - | 8,017 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | - | - | - | - | - |
| Total receipts | - | 45,984 | 26,568 | - | - | - | 8,017 |
| Disbursements: | | | | | | | |
| Personal services | - | 790 | - | - | - | - | 4,451 |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | 45,194 | 26,568 | - | 1,271 | 49 | 3,566 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | - | 45,984 | 26,568 | - | 1,271 | 49 | 8,017 |
| Excess (deficiency) of receipts over disbursements | - | - | - | - | (1,271) | (49) | - |
| Cash and investments - ending | \$ 40,783 | \$ - | \$ - | \$ 894 | \$ - | \$ 297 | \$ - |

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

| | Muncie Endurathon Grant | Regions Bank Indiana Stamping Bond | MPD Towing | CD FY12 CDBG Program | CD FY12 Home Program | MPD Stop Domestic Violence 2012 | MPD JAG Grant 2012 |
|--|-------------------------------|--|---------------|----------------------------|----------------------------|--|--------------------------|
| Cash and investments - beginning | \$ 167 | \$ 5,276 | \$ 30,067 | \$ - | \$ - | \$ 300 | \$ 6,157 |
| Receipts: | | | | | | | |
| Taxes | - | 5,333 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | 171,876 | 163,824 | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | 32,081 | 5,156 | - | - | - |
| Total receipts | - | 5,333 | 32,081 | 177,032 | 163,824 | - | - |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | 11,223 | 328 | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | 5,953 | 165,809 | 163,496 | 300 | 6,157 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | 10,609 | - | - | - | - | - |
| Total disbursements | - | 10,609 | 5,953 | 177,032 | 163,824 | 300 | 6,157 |
| Excess (deficiency) of receipts over disbursements | - | (5,276) | 26,128 | - | - | (300) | (6,157) |
| Cash and investments - ending | \$ 167 | \$ - | \$ 56,195 | \$ - | \$ - | \$ - | \$ - |

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

| | CD Miscellaneous | Redevelopment TIF Indiana Stamping | MPD OPO 2012-2013 | MFD Search and Rescue Dog | MPD Domestic Violence Donations and Contributions | MPD Corrupt Business Influence | Dog Park Sponsor |
|---|---------------------|---|-------------------------|------------------------------------|---|---|------------------------|
| Cash and investments - beginning | \$ 8,244 | \$ - | \$ (975) | \$ 2,309 | \$ 10,945 | \$ 25,160 | \$ 2,180 |
| Receipts: | | | | | | | |
| Taxes | - | 5,333 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | 975 | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 37 | - | - | - | 1,790 | 318 | 4,435 |
| Total receipts | 37 | 5,333 | 975 | - | 1,790 | 318 | 4,435 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 7,961 | 5,333 | - | - | 1,533 | 14,696 | 4,760 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | 7,961 | 5,333 | - | - | 1,533 | 14,696 | 4,760 |
| Excess (deficiency) of receipts over disbursements | (7,924) | - | 975 | - | 257 | (14,378) | (325) |
| Cash and investments - ending | \$ 320 | \$ - | \$ - | \$ 2,309 | \$ 11,202 | \$ 10,782 | \$ 1,855 |

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

| | Animal Non-Reverting | CD FY13 CDBG Program | CD FY13 Home Program | Levy Excess | MPD Stop Domestic Violence 13-14 | Redevelopment TIF Muncie Downtown Expansion | Redevelopment TIF Muncie Air Park |
|--|-------------------------|----------------------------|----------------------------|----------------|--|---|---|
| Cash and investments - beginning | \$ 14,103 | \$ - | \$ - | \$ - | \$ (6,740) | \$ 56,640 | \$ 106,984 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | 45,959 | 183,752 |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | 805,915 | 111,583 | - | 19,789 | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 15,518 | 4,826 | - | 46 | 531 | - | - |
| Total receipts | <u>15,518</u> | <u>810,741</u> | <u>111,583</u> | <u>46</u> | <u>20,320</u> | <u>45,959</u> | <u>183,752</u> |
| Disbursements: | | | | | | | |
| Personal services | - | 183,383 | 27,985 | - | 11,168 | - | - |
| Supplies | - | 7,081 | - | - | - | - | - |
| Other services and charges | 26,165 | 620,277 | 83,598 | - | 2,412 | - | 208,201 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>26,165</u> | <u>810,741</u> | <u>111,583</u> | <u>-</u> | <u>13,580</u> | <u>-</u> | <u>208,201</u> |
| Excess (deficiency) of receipts over disbursements | <u>(10,647)</u> | <u>-</u> | <u>-</u> | <u>46</u> | <u>6,740</u> | <u>45,959</u> | <u>(24,449)</u> |
| Cash and investments - ending | <u>\$ 3,456</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 46</u> | <u>\$ -</u> | <u>\$ 102,599</u> | <u>\$ 82,535</u> |

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

| | Prairie Creek-City Hall-Other Bond | Recreational Trail Program | COHEN Peace Conference | EPA Brownfield Assessments | MPD OPO 2013-2014 | MPD DUI 2013-2014 | MPD JAG Grant 2013 |
|--|---|----------------------------------|------------------------------|----------------------------------|-------------------------|-------------------------|-----------------------------|
| Cash and investments - beginning | \$ 2,290,830 | \$ - | \$ 250 | \$ 452,815 | \$ (14,840) | \$ (5,285) | \$ 1,997 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | 56,000 | - | 297,498 | 90,000 | 37,496 | 19,971 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 97 | - | 50 | - | - | - | - |
| Total receipts | 97 | 56,000 | 50 | 297,498 | 90,000 | 37,496 | 19,971 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | 28,301 | 17,186 | - |
| Supplies | - | - | - | 984 | - | - | - |
| Other services and charges | - | 142,000 | 250 | 735,144 | - | - | 20,603 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | 1,831,400 | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | 46,859 | 15,025 | - |
| Total disbursements | 1,831,400 | 142,000 | 250 | 736,128 | 75,160 | 32,211 | 20,603 |
| Excess (deficiency) of receipts over disbursements | (1,831,303) | (86,000) | (200) | (438,630) | 14,840 | 5,285 | (632) |
| Cash and investments - ending | \$ 459,527 | \$ (86,000) | \$ 50 | \$ 14,185 | \$ - | \$ - | \$ 1,365 |

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

| | Facade Grant 2013 | Phase I Ball Brothers Bathhouse | CD FY14 CDBG Program | City Levy Excess | CD FY 14 Home Program | MPD Victim Advocate 2013-2014 | MPD 2014 Equipment Grant |
|--|-------------------------|--|----------------------------|------------------------|-----------------------------|--|-----------------------------------|
| Cash and investments - beginning | \$ - | \$ 100,000 | \$ - | \$ - | \$ - | \$ 35,371 | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | 151,247 | - | 70,034 | 90,038 | 15,000 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 1,239,000 | - | - | 116 | - | - | - |
| Total receipts | 1,239,000 | - | 151,247 | 116 | 70,034 | 90,038 | 15,000 |
| Disbursements: | | | | | | | |
| Personal services | - | - | 47,284 | - | 19,789 | 75,397 | - |
| Supplies | - | - | 2,250 | - | - | 6,239 | - |
| Other services and charges | - | 100,000 | 101,713 | - | 50,245 | - | 15,000 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 1,239,000 | - | - | - | - | - | - |
| Total disbursements | 1,239,000 | 100,000 | 151,247 | - | 70,034 | 81,636 | 15,000 |
| Excess (deficiency) of receipts over disbursements | - | (100,000) | - | 116 | - | 8,402 | - |
| Cash and investments - ending | \$ - | \$ - | \$ - | \$ 116 | \$ - | \$ 43,773 | \$ - |

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

| | MPD JAG grant 2014 | MFD Safe Station | Historic Pres Grant- Cornerstone | RDC TIF 2014 Multi TIF Bond | RDC TIF Muncie South Muncie | Bath house-George & Frances Ball | Gateway Park Project Grant |
|--|-----------------------------|------------------------|---|---|---|--|-------------------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | 56,045 | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | 36,895 | - | 50,000 | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | 250 | - | 7,000,000 | - | 50,000 | 63,000 |
| Total receipts | <u>36,895</u> | <u>250</u> | <u>50,000</u> | <u>7,000,000</u> | <u>56,045</u> | <u>50,000</u> | <u>63,000</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | 800 | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | 49,200 | - | 8,720 | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | 1,184,290 | - | - | - |
| Total disbursements | <u>-</u> | <u>-</u> | <u>50,000</u> | <u>1,184,290</u> | <u>8,720</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>36,895</u> | <u>250</u> | <u>-</u> | <u>5,815,710</u> | <u>47,325</u> | <u>50,000</u> | <u>63,000</u> |
| Cash and investments - ending | <u>\$ 36,895</u> | <u>\$ 250</u> | <u>\$ -</u> | <u>\$ 5,815,710</u> | <u>\$ 47,325</u> | <u>\$ 50,000</u> | <u>\$ 63,000</u> |

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

| | Ball Bros Foundation Grant Beech Grove | Economic Development Income Tax Revenue Bond 2013 Sinking | MRC Madison Street Bond | MFD Equipment Grant | City of Muncie Redevelopment Community Parking Garage | MPD Stop Domestic Violence 14-15 | MPD OPO 2014-2015 |
|--|--|--|----------------------------------|---------------------------|---|--|-------------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | 250,000 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | 3,993 | - | - | - |
| Charges for services | - | - | - | - | 1,553,945 | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 64,403 | 125,000 | 1,400,000 | - | 403,095 | - | - |
| Total receipts | 64,403 | 375,000 | 1,400,000 | 3,993 | 1,957,040 | - | - |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | 15,673 | 6,396 |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 3,215 | 250,000 | - | - | 869,844 | - | - |
| Debt service - principal and interest | - | - | - | - | 50,000 | - | - |
| Capital outlay | - | - | - | - | 63,938 | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | 316,367 | - | 10,511 |
| Total disbursements | 3,215 | 250,000 | - | - | 1,300,149 | 15,673 | 16,907 |
| Excess (deficiency) of receipts over disbursements | 61,188 | 125,000 | 1,400,000 | 3,993 | 656,891 | (15,673) | (16,907) |
| Cash and investments - ending | \$ 61,188 | \$ 125,000 | \$ 1,400,000 | \$ 3,993 | \$ 656,891 | \$ (15,673) | \$ (16,907) |

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

| | MPD DUI 2014-2015 | Fire Station #1 Historic Preservation Grant | Cemetery Operating | Probation | CD FY10 CDBG Program | Park Grant | Police Donation |
|--|-------------------------|--|-----------------------|-----------|----------------------------|---------------|--------------------|
| Cash and investments - beginning | \$ - | \$ - | \$ 6,590 | \$ 29,692 | \$ - | \$ 3,795 | \$ 4,041 |
| Receipts: | | | | | | | |
| Taxes | - | - | 386,468 | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | 33,814 | - | 29,903 | - | - |
| Charges for services | - | - | 105,804 | 50,461 | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | 36,739 | - | - | 77,045 | - |
| Total receipts | - | - | 562,825 | 50,461 | 29,903 | 77,045 | - |
| Disbursements: | | | | | | | |
| Personal services | 2,964 | - | 338,121 | - | 5,828 | - | - |
| Supplies | - | - | 39,621 | - | - | - | - |
| Other services and charges | - | 5,000 | 39,486 | - | 24,075 | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | 17,690 | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 1,950 | - | - | 35,294 | - | - | - |
| Total disbursements | 4,914 | 5,000 | 434,918 | 35,294 | 29,903 | - | - |
| Excess (deficiency) of receipts over disbursements | (4,914) | (5,000) | 127,907 | 15,167 | - | 77,045 | - |
| Cash and investments - ending | \$ (4,914) | \$ (5,000) | \$ 134,497 | \$ 44,859 | \$ - | \$ 80,840 | \$ 4,041 |

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

| | Parks And Recreation #3 | Arborist License | Park Non-Reverting | Park Dept-Bert Whitely | Beech Grove Cumulative Building Maintenance | MPD Interdiction | MPD Lebg Safety Vest Grant |
|---|-------------------------------|---------------------|-----------------------|------------------------------|---|---------------------|--|
| Cash and investments - beginning | \$ 138,282 | \$ 13,453 | \$ 19,923 | \$ 12,422 | \$ 33,320 | \$ 616 | \$ 14,536 |
| Receipts: | | | | | | | |
| Taxes | 3,430 | - | - | - | - | - | - |
| Licenses and permits | 450 | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | - | 3,337 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 607,417 | 4,972 | 73,772 | 3,759 | 52,105 | - | - |
| Total receipts | 611,297 | 4,972 | 73,772 | 3,759 | 52,105 | - | 3,337 |
| Disbursements: | | | | | | | |
| Personal services | 444,352 | - | - | - | - | - | - |
| Supplies | 114,207 | - | 3,186 | - | - | - | - |
| Other services and charges | 116,856 | 3,562 | 5,494 | 9,521 | 23,666 | - | 3,775 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | 15,080 | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | 20,098 | - | - |
| Total disbursements | 690,495 | 3,562 | 8,680 | 9,521 | 43,764 | - | 3,775 |
| Excess (deficiency) of receipts over disbursements | (79,198) | 1,410 | 65,092 | (5,762) | 8,341 | - | (438) |
| Cash and investments - ending | \$ 59,084 | \$ 14,863 | \$ 85,015 | \$ 6,660 | \$ 41,661 | \$ 616 | \$ 14,098 |

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

| | Drug Task Force Forfeiture | MPD Uniform Forfeiture | MPD Dare | MPD K-9 Special Olympics | MPD Traffic Division | MPD Arson Investigations | MPD Police Training |
|--|-------------------------------------|------------------------------|-------------|--------------------------------|----------------------------|--------------------------------|---------------------------|
| Cash and investments - beginning | \$ 8,123 | \$ 300 | \$ 6,127 | \$ 392 | \$ 3,600 | \$ 9,840 | \$ 38,458 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | 6,970 |
| Intergovernmental receipts | - | - | - | - | 4,025 | - | - |
| Charges for services | - | - | - | - | - | - | 5,563 |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | - | 100 | - | - | - |
| Total receipts | - | - | - | 100 | 4,025 | - | 12,533 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 8,123 | - | - | 238 | - | - | 10,033 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | 8,123 | - | - | 238 | - | - | 10,033 |
| Excess (deficiency) of receipts over disbursements | (8,123) | - | - | (138) | 4,025 | - | 2,500 |
| Cash and investments - ending | \$ - | \$ 300 | \$ 6,127 | \$ 254 | \$ 7,625 | \$ 9,840 | \$ 40,958 |

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

| | Law Enforcement Continuing Education | Fire Department Donations | Fire Dept Smoke Alarms | Mun-Del Haz-Mat Team | Animal Shelter Donation | Rails To Trails Project | Environmental Enhancement |
|---|---|---------------------------------|---------------------------------|----------------------------|-------------------------------|-------------------------------|------------------------------|
| Cash and investments - beginning | \$ 73,942 | \$ 56,751 | \$ 5 | \$ 171 | \$ 1,579 | \$ - | \$ 233,523 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | 21,306 | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | 23,172 | - |
| Charges for services | 37,302 | - | - | - | - | - | - |
| Fines and forfeits | 9,984 | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 185 | 23,565 | - | - | 32,470 | - | 98 |
| Total receipts | <u>68,777</u> | <u>23,565</u> | <u>-</u> | <u>-</u> | <u>32,470</u> | <u>23,172</u> | <u>98</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 49,859 | 785 | - | - | 26,666 | 23,172 | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>49,859</u> | <u>785</u> | <u>-</u> | <u>-</u> | <u>26,666</u> | <u>23,172</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>18,918</u> | <u>22,780</u> | <u>-</u> | <u>-</u> | <u>5,804</u> | <u>-</u> | <u>98</u> |
| Cash and investments - ending | <u>\$ 92,860</u> | <u>\$ 79,531</u> | <u>\$ 5</u> | <u>\$ 171</u> | <u>\$ 7,383</u> | <u>\$ -</u> | <u>\$ 233,621</u> |

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

| | CD Grants Other (Non-Hud) | Alarm Ordinance | TIF Central City | Redevelopment Tech Park | Redevelopment Commission | Industrial Development Revolving Loan | Redevelopment Commission Other Projects |
|---|---------------------------------|--------------------|------------------------|-------------------------------|-----------------------------|--|--|
| Cash and investments - beginning | \$ 180 | \$ 1,990 | \$ 646,311 | \$ 268,414 | \$ 58,522 | \$ 555,543 | \$ 230,338 |
| Receipts: | | | | | | | |
| Taxes | - | - | 329,718 | 30,401 | - | - | 106,984 |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | 117,440 | 82,869 | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | - | 262 | 52 | 2,405 | 288,322 | 88,540 |
| Total receipts | - | - | 329,980 | 147,893 | 85,274 | 288,322 | 195,524 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | 362,079 | - | - | - | - |
| Debt service - principal and interest | - | - | 12,608 | - | - | - | 324,657 |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | 298,000 | 63,965 | 120,718 | 97,534 |
| Total disbursements | - | - | 374,687 | 298,000 | 63,965 | 120,718 | 422,191 |
| Excess (deficiency) of receipts over disbursements | - | - | (44,707) | (150,107) | 21,309 | 167,604 | (226,667) |
| Cash and investments - ending | \$ 180 | \$ 1,990 | \$ 601,604 | \$ 118,307 | \$ 79,831 | \$ 723,147 | \$ 3,671 |

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

| | CD Unsafe Building | Park White River Beautification | Park Beautification Program | Fire Safety & Equipment | Drug Task Force Federal Forfeiture | Adult Probation Services Fees | City Bond General Sinking |
|--|--------------------------|--|-----------------------------------|-------------------------------|--|--|------------------------------------|
| Cash and investments - beginning | \$ 119,342 | \$ 224 | \$ 225 | \$ 532 | \$ 28,983 | \$ 151,578 | \$ (24,253) |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | 7,630 | - | 19,298 |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | - | 983 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | 21,250 | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 33,214 | - | - | - | 4 | - | 584 |
| Total receipts | <u>33,214</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,634</u> | <u>21,250</u> | <u>20,865</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 23,948 | - | - | - | 32,704 | - | 26,235 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | <u>23,948</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>32,704</u> | <u>-</u> | <u>26,235</u> |
| Excess (deficiency) of receipts over disbursements | <u>9,266</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(25,070)</u> | <u>21,250</u> | <u>(5,370)</u> |
| Cash and investments - ending | <u>\$ 128,608</u> | <u>\$ 224</u> | <u>\$ 225</u> | <u>\$ 532</u> | <u>\$ 3,913</u> | <u>\$ 172,828</u> | <u>\$ (29,623)</u> |

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

| | Redevelopment Comm/ Facade | E.D.I.T. | Urban Development | Health Insurance | Beech Grove Thompson Trust | Beech Grove Cemetery Trust | Beech Grove Grace Maring |
|--|----------------------------------|------------|----------------------|---------------------|-------------------------------------|-------------------------------------|-----------------------------------|
| Cash and investments - beginning | \$ 189 | \$ 905,831 | \$ 672 | \$ 36,404 | \$ 9,811 | \$ 25,746 | \$ 40,620 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | 1,485,604 | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | - | 584,787 | - | 11,202,639 | 21 | 53 | 85 |
| Total receipts | - | 2,070,391 | - | 11,202,639 | 21 | 53 | 85 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | 2,235,733 | - | 11,202,161 | - | - | - |
| Debt service - principal and interest | 189 | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | 189 | 2,235,733 | - | 11,202,161 | - | - | - |
| Excess (deficiency) of receipts over disbursements | (189) | (165,342) | - | 478 | 21 | 53 | 85 |
| Cash and investments - ending | \$ - | \$ 740,489 | \$ 672 | \$ 36,882 | \$ 9,832 | \$ 25,799 | \$ 40,705 |

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

| | Beech Grove Hardin Rhoads | Redevelopment Commission/ Allocation | Payroll | Insurance- Other | Beech Grove Pre-Need | User Fee Law Enforcement Education | Collection Agency Parking Violation |
|--|------------------------------------|--|------------|---------------------|----------------------------|---|--|
| Cash and investments - beginning | \$ 18,539 | \$ 3,126,673 | \$ 110,745 | \$ 332,712 | \$ 158,892 | \$ 47,509 | \$ (5) |
| Receipts: | | | | | | | |
| Taxes | - | 696,306 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | 12,809 | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 38 | 58 | 30,165,227 | 380,361 | 8,368 | - | 60 |
| Total receipts | 38 | 696,364 | 30,165,227 | 380,361 | 8,368 | 12,809 | 60 |
| Disbursements: | | | | | | | |
| Personal services | - | - | 30,190,824 | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | 3,177 | - | - | 55 |
| Debt service - principal and interest | - | 325,607 | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | 12,672 | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | 628,227 | - | 672,248 | 12,480 | - | - |
| Total disbursements | - | 953,834 | 30,190,824 | 675,425 | 12,480 | 12,672 | 55 |
| Excess (deficiency) of receipts over disbursements | 38 | (257,470) | (25,597) | (295,064) | (4,112) | 137 | 5 |
| Cash and investments - ending | \$ 18,577 | \$ 2,869,203 | \$ 85,148 | \$ 37,648 | \$ 154,780 | \$ 47,646 | \$ - |

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

| | Security Deposit | TIF Muncie Mall | Court Cost Due County | City Court | Cabin Rental Deposits | Sanitation | Cumulative Building and Sinking |
|--|---------------------|-----------------------|--------------------------------|----------------|-----------------------------|------------------|--|
| Cash and investments - beginning | \$ 19,450 | \$ - | \$ 5,188 | \$ 77,362 | \$ 1,760 | \$ 3,482,463 | \$ 392,217 |
| Receipts: | | | | | | | |
| Taxes | - | 1,179,880 | - | - | - | 5,246,854 | 485,776 |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | 1,068,895 | 9,929 |
| Charges for services | - | - | - | - | 19,991 | - | - |
| Fines and forfeits | - | - | 59,828 | 815,162 | - | - | - |
| Utility fees | - | - | - | - | - | 18,892 | 464 |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 58,300 | - | 5,188 | 31,371 | - | 58,812 | 277,003 |
| Total receipts | 58,300 | 1,179,880 | 65,016 | 846,533 | 19,991 | 6,393,453 | 773,172 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | 2,281,353 | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | 5,540 | 592,930 | 70,204 | - | 20,231 | 130,009 | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | 425,916 | - |
| Utility operating expenses | - | - | - | - | - | 2,651,135 | 513,844 |
| Other disbursements | - | - | - | 835,648 | - | - | - |
| Total disbursements | 5,540 | 592,930 | 70,204 | 835,648 | 20,231 | 5,488,413 | 513,844 |
| Excess (deficiency) of receipts over disbursements | 52,760 | 586,950 | (5,188) | 10,885 | (240) | 905,040 | 259,328 |
| Cash and investments - ending | \$ 72,210 | \$ 586,950 | \$ - | \$ 88,247 | \$ 1,520 | \$ 4,387,503 | \$ 651,545 |

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

| | Reserve Operating and Maintenance | Revolving Sanitary Sewer Construction | Reserve Bond 07 Operating and Maintenance | Storm Water Bond and Interest | MSD Jake's Creek Bond | MSD New Equipment | Sewage Works Sinking |
|--|--|--|--|--|--------------------------------|-------------------------|----------------------------|
| Cash and investments - beginning | \$ 399,872 | \$ 35,369 | \$ 1 | \$ 185,843 | \$ 1 | \$ 134,500 | \$ 23,557 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - | - |
| Other receipts | 10,178 | 2,800 | 2,000 | 375,199 | - | - | 4,191,867 |
| Total receipts | 10,178 | 2,800 | 2,000 | 375,199 | - | - | 4,191,867 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | 372,298 | - | - | 4,121,328 |
| Capital outlay | - | - | - | - | - | 20,000 | - |
| Utility operating expenses | - | - | 2,000 | 188,699 | - | - | - |
| Other disbursements | - | - | - | - | - | - | - |
| Total disbursements | - | - | 2,000 | 560,997 | - | 20,000 | 4,121,328 |
| Excess (deficiency) of receipts over disbursements | 10,178 | 2,800 | - | (185,798) | - | (20,000) | 70,539 |
| Cash and investments - ending | \$ 410,050 | \$ 38,169 | \$ 1 | \$ 45 | \$ 1 | \$ 114,500 | \$ 94,096 |

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

| | Sewage Debt Service Reserve | Storm Water Bond Payment | Storm Water Fee/ Delaware County | Recycling | 88 Clean Up Race Track FD | Rainy Day- MSD |
|--|--------------------------------------|-----------------------------------|--|-------------------|---------------------------------|----------------------|
| Cash and investments - beginning | \$ 3,231,521 | \$ 69,710 | \$ 5,444,827 | \$ 217,419 | \$ 2,541 | \$ 64,249 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | 3,312,997 | 6,656 | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | 382,077 | 865,737 | 952,538 | 48,469 | 6,000 | - |
| Total receipts | <u>382,077</u> | <u>865,737</u> | <u>4,265,535</u> | <u>55,125</u> | <u>6,000</u> | <u>-</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | 79,942 | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Debt service - principal and interest | - | 558,010 | - | - | - | - |
| Capital outlay | - | - | 563,801 | - | - | - |
| Utility operating expenses | - | - | 2,194,471 | 100,669 | 4,282 | - |
| Other disbursements | - | 377,198 | 952,924 | - | - | - |
| Total disbursements | <u>-</u> | <u>935,208</u> | <u>3,791,138</u> | <u>100,669</u> | <u>4,282</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>382,077</u> | <u>(69,471)</u> | <u>474,397</u> | <u>(45,544)</u> | <u>1,718</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 3,613,598</u> | <u>\$ 239</u> | <u>\$ 5,919,224</u> | <u>\$ 171,875</u> | <u>\$ 4,259</u> | <u>\$ 64,249</u> |

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

| | 5 Year Planned Replacement | MSD 2013 Bond Construction | MSD 2013- B Bond | MSD 2014 Stormwater Bond Construction | Sewage General | ARC Hotel Project, Note |
|--|----------------------------------|-------------------------------------|---------------------------|---|-------------------|-------------------------------|
| Cash and investments - beginning | \$ 255,962 | \$ 10,228,348 | \$ 3,785,000 | \$ - | \$ 2,209,580 | \$ - |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | 17,384,802 | - |
| Penalties | - | - | - | - | 10,876 | - |
| Other receipts | - | 47,128 | 1,018 | 14,014,896 | 514,719 | 1,551,297 |
| Total receipts | - | 47,128 | 1,018 | 14,014,896 | 17,910,397 | 1,551,297 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | 7,397,740 | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | - | 7,587,542 | 3,372,361 | 6,697,766 | 316,289 | - |
| Utility operating expenses | - | 116,050 | - | 181,040 | 5,070,469 | - |
| Other disbursements | - | - | - | - | 4,574,053 | - |
| Total disbursements | - | 7,703,592 | 3,372,361 | 6,878,806 | 17,358,551 | - |
| Excess (deficiency) of receipts over disbursements | - | (7,656,464) | (3,371,343) | 7,136,090 | 551,846 | 1,551,297 |
| Cash and investments - ending | \$ 255,962 | \$ 2,571,884 | \$ 413,657 | \$ 7,136,090 | \$ 2,761,426 | \$ 1,551,297 |

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

| | ARC Hotel Project, Reserve | ARC Hotel Project, Project | Cardinal Square/DAC Project Construction | Cardinal Square/DAC Project Capitalized Interest | Cardinal Square/DAC Project Bond | MAP Muncie North, LLC Construction Bond |
|--|----------------------------------|----------------------------------|---|--|---|--|
| Cash and investments - beginning | \$ - | \$ - | \$ 1,192,002 | \$ 550,012 | \$ - | \$ - |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental receipts | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - |
| Penalties | - | - | - | - | - | - |
| Other receipts | 1,000,000 | 1,878,000 | 1,278,826 | 43 | 226,778 | 2,257,101 |
| Total receipts | <u>1,000,000</u> | <u>1,878,000</u> | <u>1,278,826</u> | <u>43</u> | <u>226,778</u> | <u>2,257,101</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | 225,908 | - |
| Capital outlay | - | - | 2,184,842 | - | - | 1,722,060 |
| Utility operating expenses | - | - | - | - | - | - |
| Other disbursements | - | 1,867,390 | 59,214 | 225,908 | 870 | 344,440 |
| Total disbursements | <u>-</u> | <u>1,867,390</u> | <u>2,244,056</u> | <u>225,908</u> | <u>226,778</u> | <u>2,066,500</u> |
| Excess (deficiency) of receipts over disbursements | <u>1,000,000</u> | <u>10,610</u> | <u>(965,230)</u> | <u>(225,865)</u> | <u>-</u> | <u>190,601</u> |
| Cash and investments - ending | <u>\$ 1,000,000</u> | <u>\$ 10,610</u> | <u>\$ 226,772</u> | <u>\$ 324,147</u> | <u>\$ -</u> | <u>\$ 190,601</u> |

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

| | Indiana Stamping Project Reimbursement | Series 2014A-2014A Project | Series 2014B-2014B Project | Series 2014B Bond Acct of the Bond | Series 2014A Bond Acct of the Bond | Totals |
|---|---|----------------------------------|----------------------------------|---|---|---------------|
| Cash and investments - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 58,480,113 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | 31,348,769 |
| Licenses and permits | - | - | - | - | - | 818,137 |
| Intergovernmental receipts | - | - | - | - | - | 17,336,696 |
| Charges for services | - | - | - | - | - | 2,768,039 |
| Fines and forfeits | - | - | - | - | - | 1,195,614 |
| Utility fees | - | - | - | - | - | 20,723,811 |
| Penalties | - | - | - | - | - | 10,876 |
| Other receipts | 608 | 12,634,454 | 1,693,596 | 1,365,665 | 306,421 | 101,594,896 |
| Total receipts | 608 | 12,634,454 | 1,693,596 | 1,365,665 | 306,421 | 175,796,838 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | 65,650,164 |
| Supplies | - | - | - | - | - | 1,488,507 |
| Other services and charges | - | - | - | - | - | 31,047,521 |
| Debt service - principal and interest | - | - | - | - | - | 5,990,605 |
| Capital outlay | - | 612,338 | 82,081 | - | - | 25,956,629 |
| Utility operating expenses | - | - | - | - | - | 11,022,659 |
| Other disbursements | 608 | 194,302 | 49,510 | - | - | 14,591,547 |
| Total disbursements | 608 | 806,640 | 131,591 | - | - | 155,747,632 |
| Excess (deficiency) of receipts over disbursements | - | 11,827,814 | 1,562,005 | 1,365,665 | 306,421 | 20,049,206 |
| Cash and investments - ending | \$ - | \$ 11,827,814 | \$ 1,562,005 | \$ 1,365,665 | \$ 306,421 | \$ 78,529,319 |

CITY OF MUNCIE
SCHEDULE OF LEASES AND DEBT
For the Year Ended December 31, 2014

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|--------------------------------|----------------------|----------------------------|----------------------------|-------------------------|
| Governmental activities: | | | | |
| Star Financial Bank | 2012 Police Vehicles | \$ 86,406 | 01/15/13 | 01/15/17 |
| Star Financial Fire Truck | Fire Truck | 116,737 | 07/03/12 | 09/15/20 |
| The Bank Of New York Trust | Convention Center | 287,500 | 03/14/02 | 12/31/21 |
| Weber Office Equipment | Lease Of Copiers | <u>26,679</u> | 01/01/11 | 03/01/12 |
| Total governmental activities | | <u>517,322</u> | | |
| Total of annual lease payments | | <u>\$ 517,322</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 | 1,845,000 | 163,631 |
| Revenue bonds | Lease Rental Revenue Refunding Bonds 2012 | 5,735,000 | 884,798 |
| Revenue bonds | Economic Development Income Tax Revenue Bonds 2013 | 3,750,000 | 411,961 |
| Revenue bonds | Tax Increment Revenue Bonds Of 2014 | 7,000,000 | 490,000 |
| Revenue bonds | Economic Development Bonds Series 2014 A (Horizon Center Garage Project) | 14,000,000 | 374,453 |
| Revenue bonds | Façade Grant - 2013 | 1,250,000 | 154,468 |
| Revenue bonds | Revenue Bond 2013 (Cardinal Square/DAC) | 4,918,773 | 248,254 |
| Notes and loans payable | Tax Increment Revenue Bonds Of 2014 | 1,889,331 | 651,447 |
| Notes and loans payable | 2014 ARC Note Fund | 4,429,297 | 125,562 |
| Notes and loans payable | Star Park Equipment | 28,828 | 12,051 |
| Notes and loans payable | Taxable Economic Development Revenue Bonds Series 2014B (Horizon Center Garage Project) | 2,000,000 | 84,018 |
| Notes and loans payable | Star Animal Control Trucks | 55,314 | 13,247 |
| Notes and loans payable | Star Street Equipment | 65,212 | 19,706 |
| Notes and loans payable | Star Fire Truck | 638,296 | 116,738 |
| Notes and loans payable | Star Police Vehicles | <u>241,532</u> | <u>86,406</u> |
| Total governmental activities | | <u>48,246,583</u> | <u>3,844,739</u> |
| Wastewater: | | | |
| General obligation bonds | TCF Equipment Finance Inc | 372,818 | 55,496 |
| Revenue bonds | Sanitary Revenue Series 2014 | 14,000,000 | 698,102 |
| Revenue bonds | Sanitary District Revenue & Revenue Bond Series 2013 | 33,425,000 | 1,461,306 |
| Revenue bonds | Sanitary District Revenue Bonds Series 2013 B | 3,875,000 | 123,656 |
| Revenue bonds | Sanitary District Revenue Bond Of 2007 | 3,785,000 | 375,798 |
| Revenue bonds | 2005 SRF 17 960 000 | 12,427,000 | 1,196,934 |
| Notes and loans payable | TCF Equipment Finance Inc | 1,517,625 | 225,906 |
| Notes and loans payable | TCF Equipment Finance Inc | 188,080 | 27,997 |
| Notes and loans payable | TCF Equipment Finance Inc | 420,134 | 62,539 |
| Notes and loans payable | TCF Equipment Finance Inc | <u>282,327</u> | <u>147,614</u> |
| Total Wastewater | | <u>70,292,984</u> | <u>4,375,348</u> |
| Totals | | <u>\$ 118,539,567</u> | <u>\$ 8,220,087</u> |

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, 2014. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed in the following paragraph, 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 non-compliance 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.

Basis for Qualified Opinion on Brownfields Assessment and Cleanup Cooperative Agreements

As described in item 2014-006 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the City with Brownfields Assessment and Cleanup Cooperative Agreements regarding Procurement. Consequently, we were unable to determine whether the City complied with these requirements applicable to the program. Also as described in item 2014-006, the City did not comply with requirements regarding Suspension and Debarment that are applicable to its Brownfields Assessment and Cleanup Cooperative Agreements. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

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

Basis for Qualified Opinion on Economic Development Cluster

As described in items 2014-008, 2014-009, 2014-010, and 2014-011 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding Allowable Costs/Cost Principles, Reporting, Subrecipient Monitoring, and Special Tests and Provisions - Increases to Revolving Loan Funds Capital Base and Capital Utilization and Loan Requirements that are applicable to its Economic Development Cluster. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to that program.

Qualified Opinion on Brownfields Assessment and Cleanup Cooperative Agreements

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the City's compliance with the requirements of Brownfields Assessment and Cleanup Cooperative Agreements regarding Procurement and Suspension and Debarment, described in the *Basis for Qualified Opinion on Brownfields Assessment and Cleanup Cooperative Agreements* paragraph the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on Brownfield Assessment and Cleanup Cooperative Agreements for the year ended December 31, 2014.

Qualified Opinion on Economic Development Cluster

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion on Economic Development Cluster* paragraph, 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 Economic Development Cluster for the year ended December 31, 2014.

Unmodified Opinion on the Other 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 its other major federal program identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2014.

Other Matters

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

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.

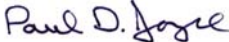
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-004, 2014-005, 2014-006, 2014-007, 2014-008, 2014-009, 2014-010, and 2014-011 to be material weaknesses.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

December 19, 2016

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were prepared 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, 2014

| Federal Grantor Agency Cluster Title/Program Title/Project Title | Pass-Through Entity or Direct Grant | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Pass-Through To Subrecipient | Total Federal Awards Expended |
|--|---|---------------------------|---|--|--|
| <u>Department of Commerce</u> | | | | | |
| Economic Development Cluster Economic Adjustment Assistance | Direct Grant | 11.307 | 06-19-01414 | \$ 50,000 | \$ 2,181,612 |
| Total - Economic Development Cluster | | | | 50,000 | 2,181,612 |
| Total - Department of Commerce | | | | 50,000 | 2,181,612 |
| <u>Department of Housing and Urban Development</u> | | | | | |
| CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants | Direct Grant | 14.218 | B-08-MN-18-0009 B-10-MC-18-00102 B-11-MC-18-00102 B-12-MC-18-00102 B-13-MC-18-00102 B-14-MC-18-00102 | - - 9,537 31,161 213,984 76,002 | 8,017 29,902 45,984 171,876 805,914 151,246 |
| Total - Community Development Block Grants/Entitlement Grants | | | | 330,684 | 1,212,939 |
| Total - CDBG - Entitlement Grants Cluster | | | | 330,684 | 1,212,939 |
| HOME Investment Partnerships Program | Direct Grant | 14.239 | M-11-MC-18-0206 M-12-MC-18-0206 M-13-MC-18-0206 M-14-MC-18-0206 | 26,568 163,496 48,598 50,201 | 26,568 163,824 111,583 70,033 |
| Total - HOME Investment Partnerships Program | | | | 288,863 | 372,008 |
| Total - Department of Housing And Urban Development | | | | 619,547 | 1,584,947 |
| <u>Department of the Interior</u> | | | | | |
| Historic Preservation Fund Grants-In-Aid | Indiana Department of Natural Resources | 15.904 | 18-13FFY-07 | - | 50,000 |
| Total - Department of the Interior | | | | - | 50,000 |
| <u>Department of Justice</u> | | | | | |
| Jag Program Cluster Edward Byrne Memorial Justice Assistance Grant Program | Indiana Criminal Justice Institute | 16.738 | 2013-DJ-BX-0728 | - | 20,603 |
| Total - Edward Byrne Memorial Justice Assistance Grant Program | | | | - | 20,603 |
| Total - Jag Program Cluster | | | | - | 20,603 |
| Crime Victim Assistance | Indiana Criminal Justice Institute | 16.575 | 2013-VA-GX-0036 | - | 43,212 |
| Violence Against Women Formula Grants | Indiana Criminal Justice Institute | 16.588 | 2012-WF-AX-0035 | - | 19,789 |
| Bulletproof Vest Partnership Program | Direct Grant | 16.607 | 1121-0235 | - | 3,337 |
| Total - Department of Justice | | | | - | 86,941 |
| <u>Department of Transportation</u> | | | | | |
| Highway Planning And Construction Cluster Highway Planning And Construction | Indiana Department Of Transportation | 20.205 | DES 1006333 DES 1005469 DES 0600918 DES 0401076 DES 0501033 DES 0710089 DES 0800089 | - - - - - - - | 166,041 2,524 23,172 35,307 24,937 16,614 48,400 |
| Total - Highway Planning And Construction | | | | - | 316,995 |
| Total - Highway Planning And Construction Cluster | | | | - | 316,995 |
| Highway Safety Cluster State and Community Highway Safety | Indiana Criminal Justice Institute | 20.600 | D3-14-8206 18X9204020IN14 | 28,301 - | 89,999 15,000 |
| Total - State and Community Highway Safety | | | | 28,301 | 104,999 |
| Alcohol Impaired Driving Countermeasures Incentive Grants I | Indiana Criminal Justice Institute | 20.601 | D3-14-8140 | 17,186 | 37,495 |
| Total - Highway Safety Cluster | | | | 45,487 | 142,494 |
| Total - Department of Transportation | | | | 45,487 | 459,489 |
| <u>Environmental Protection Agency</u> | | | | | |
| Brownfields Assessment and Cleanup Cooperative Agreements | Direct Grant | 66.818 | 00E01073 | - | 305,896 |
| Total - Environmental Protection Agency | | | | - | 305,896 |
| <u>Department of Homeland Security</u> | | | | | |
| Staff for Adequate Fire And Emergency Response (SAFER) | Direct Grant | 97.083 | EMW-2011-FH-00779 | - | 1,892,406 |
| Total - Department of Homeland Security | | | | - | 1,892,406 |
| Total federal awards expended | | | | \$ 715,034 | \$ 6,561,291 |

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 (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

Note 3. Calculation of Expenditure of the Economic Development Cluster Presented on the SEFA

| | |
|--|---------------------|
| Balance of RLF loans outstanding at the end of the recipient's fiscal year | \$ 2,467,224 |
| Plus: Cash and Investment balance in the RLF at the end of the recipients fiscal year | 723,147 |
| Plus: Administrative expenses paid out of RLF income during the recipients fiscal year | <u>65,765</u> |
| Total "Expenditures" | 3,256,136 |
| 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) | <u>0.67</u> |
| Total for SEFA (Total "Expenditures" times Federal Participation Rate) | <u>\$ 2,181,612</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? Significant deficiencies identified? | yes none reported |
| Noncompliance material to financial statement noted? | yes |

Federal Awards:

| | |
|--|---|
| Internal control over major programs: Material weaknesses identified? Significant deficiencies identified? | yes none reported |
| Type of auditor's report issued on compliance for major programs: | Unmodified - CDBG-Entitlement Grants Cluster Qualified - Brownfields Assessment and Cleanup Cooperative Agreements; and Economic Development Cluster |

| | |
|--|-----|
| Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133? | yes |
|--|-----|

Identification of Major Programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------|---|
| 66.818 | Economic Development Cluster CDBG - Entitlement Grants Cluster Brownfields Assessment and Cleanup Cooperative Agreements |

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

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

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

Section II - Financial Statement Findings

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

Condition

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).

During the audit of the SEFA, there were the following errors:

1. The Economic Adjustment Assistance grant expenditures totaling \$2,181,612 were omitted.
2. Several grants were overstated by either using the wrong amounts or including grant expenditures more than once. The net overstatement totaled \$457,184.
3. Information such as grantor agency, program title, pass-through entity, Catalog of Federal Domestic Assistance (CFDA) number, and pass-through identifying number were either incorrectly reported or omitted for some grants.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

Criteria

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:

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

- (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."

Cause

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Condition*.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2014-002 - INTERNAL CONTROLS OVER PAYROLL DISBURSEMENTS

Condition

During the audit period, the payroll time records of department heads were not reviewed for accuracy before being paid. There were no other controls in place to ensure the payroll of department heads were correct and accurate.

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

Criteria

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)

Cause

Management of the City had not established a proper system of internal control related to all payroll transactions.

Effect

The failure to establish an internal control system resulted in controls either not designed properly or operating effectively to provide assurance of the prevention, or detection and correction of misstatements in a timely manner.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2014-003 - ACCOUNTING FOR MUNCIE REDEVELOPMENT COMMISSION FUNDS

Condition

During the audit period, the Muncie Redevelopment Commission funds, which includes the Economic Adjustment Assistance (revolving loan funds/RLF), were not recorded within the City's ledger by the City Controller. There was no other ledger to account for the monies of these funds. The only information available were bank statements and spread sheets prepared by the Director of the Redevelopment Commission. The City had not established an internal control system to ensure that all monies of the City were accounted for within the City's ledger.

Criteria

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)

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

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

13 CFR section 307.13(b)(1) states: "Maintain adequate accounting records and source documentation to substantiate the amount and percent of RLF Income expended for eligible RLF administrative costs."

Cause

Management of the City had not established a proper system of internal control to ensure that all funds of the City were maintained within the City's records.

Effect

The failure to establish an internal control system resulted in monies of the City not being accounted for within the City's records.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-004 - INTERNAL CONTROL OVER CDBG - ENTITLEMENT GRANTS CLUSTER

Federal Agency: Department of Housing and Urban Development
Federal Program: Community Development Block Grants/Entitlement Grants
CFDA Number: 14.218

Federal Award Numbers and Years (or Other Identifying Numbers): B-08-MN-18-0009, B-10-MC-18-00102,
B-11-MC-18-00102, B-12-MC-18-00102,
B-13-MC-18-00102, B-14-MC-18-00102

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Reporting, Subrecipient Monitoring, and Special Tests and Provisions - Environmental Reviews and Rehabilitation.

Activities Allowed or Unallowed and Allowable Costs/Cost Principles

The controls in place were ineffective to ensure that unallowable activities and costs did not occur. The controls in place did not identify that the wrong mileage rate was used resulting in an underpayment on two separate claims that were selected within our sample.

Reporting

The Assistant Director of Community Development was the sole person responsible for preparing, reviewing, and submitting the required reports for the Community Development Block Grants/Entitlement Grants. There was no oversight, review, approval, or other process in place to ensure the accuracy of the reports.

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

Subrecipient Monitoring

The Assistant Director of the Community Development was the sole person responsible for monitoring subrecipients which included onsite visits. There were no controls in place to ensure that monitoring of subrecipients or onsite visits were conducted.

Special Tests and Provisions - Environmental Reviews and Rehabilitation

The Environmental Reviews were the sole responsibility of a planner within the Department of Community Development. There were no controls in place to ensure that the Environmental Reviews were conducted. Rehabilitation work was properly completed by the planner in the Community Development Department; however, there were no oversight or review procedures in place.

Context

Controls over Activities Allowed or Unallowed and Allowable Costs/Cost Principles for claims were ineffective and allowed underpayment on claims to occur. There were no controls over Reporting, Subrecipient Monitoring, or Special Tests and Provisions - Environmental Reviews and Rehabilitation compliance requirements. These conditions were apparent throughout the audit period.

Criteria

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

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

Cause

The review process established as a control for paying claims failed to properly determine correct mileage rates for mileage claims in regards to Activities Allowed or Unallowed and Allowable Costs/Cost Principles. Management of the City had not designed or implemented internal control procedures to ensure compliance with Reporting, Subrecipient Monitoring, or Special Tests and Provisions - Environmental Reviews and Rehabilitation compliance requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

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

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2014-005 - INTERNAL CONTROL OVER BROWNFIELDS
ASSESSMENT AND CLEANUP COOPERATIVE AGREEMENTS***

Federal Agency: Environmental Protection Agency
Federal Program: Brownfields Assessment and Cleanup Cooperative Agreements
CFDA Number: 66.818
Federal Award Number and Year (or Other Identifying Number): 00E01073

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles, Cash Management, Period of Availability, and Reporting.

Activities Allowed or Unallowed, Allowable Costs/Cost Principles, and Period of Availability

The Director of Economic Development was the sole person responsible for reviewing the invoices submitted for payment. There was no oversight, review, approval, or other process in place to ensure the invoices were for allowable activities and costs and within the period of availability.

Cash Management

The contracted Grant Advisor was the sole person responsible for ensuring the drawdowns were used before requesting additional funds and to minimize the time between transfer of funds and disbursement. There was no oversight, review, approval, or other process in place to ensure the drawdowns were used before requesting additional funds and to minimize timing between transfer of funds and disbursement.

Reporting

The Director of Economic Development was the sole person responsible for uploading the financial report information. There was no oversight, review, approval, or other process in place to ensure the accuracy of the reports.

Context

The lack of controls was a systemic problem during the period audited and affected all of the compliance requirements listed above.

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

Criteria

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

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

Cause

Management of the City had not designed or implemented internal control procedures to ensure compliance with the compliance requirements listed above.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

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

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2014-006 - PROCUREMENT AND SUSPENSION AND DEBARMENT

Federal Agency: Environmental Protection Agency
Federal Program: Brownfields Assessment and Cleanup Cooperative Agreements
CFDA Number: 66.818
Federal Award Number and Year (or Other Identifying Number): 00E01073

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and Procurement and Suspension and Debarment compliance requirements. The City advertised and took bids but no documentation was maintained to support the bidding process. The City did not verify whether any of the bidding parties were suspended or debarred.

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

Context

The lack of controls and noncompliance was a systemic problem during the period audited and affected the compliance requirements listed above.

Criteria

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

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

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

40 CFR 31.42(b) states:

"Length of retention period:

- (1) Except as otherwise provided, records must be retained for three years from the starting date specified in paragraph (c) of this section.
- (2) If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.
- (3) To avoid duplicate recordkeeping, awarding agencies may make special arrangements with grantees and subgrantees to retain any records which are continuously needed for joint use. The awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal agency, the 3- year retention requirement is not applicable to the grantee or subgrantee."

Cause

Management of the City had not designed or implemented internal control procedures to ensure compliance with the Procurement and Suspension and Debarment compliance requirements of the program. The City did not have controls in place to ensure that documentation was maintained for the bidding process or to verify that the bidders were not suspended or debarred.

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

Effect

The failure to establish an effective internal control system, related to Suspension and Debarment, enabled material noncompliance to go undetected which could have resulted in the loss of federal funds to the City. Additionally, the failure to maintain supporting documentation of internal control procedures, related to the bidding process, prevented the ability to verify if the City was in compliance with the requirements for Procurement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls, including segregation of duties, and comply with the grant agreement and compliance requirements listed above.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2014-007 - INTERNAL CONTROL OVER ACTIVITIES ALLOWED OR UNALLOWED AND SPECIAL TESTS AND PROVISIONS - INCREASES TO REVOLVING LOAN FUND CAPITAL BASE AND CAPITAL UTILIZATION

Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-19-01414

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and Activities Allowed or Unallowed and Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization. The Director of the Redevelopment Commission is the sole person responsible for the determination of allowable activities and the increases to the revolving loan fund (rlf) capital base and capital utilization. There was no oversight, review, approval, or other process in place to ensure federal monies were used for only allowable activities or that the necessary calculations were performed.

Context

The lack of controls was a systemic problem during the period audited and affected all of the compliance requirements listed above.

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

Criteria

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

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

Cause

Management of the City had not designed or implemented internal control procedures to ensure compliance with the Activities Allowed or Unallowed and Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirements.

Effect

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

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and Activities Allowed or Unallowed and Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2014-008 - ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-19-01414

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

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

The City had an interlocal agreement to pay an unspecified portion of the Director of the Redevelopment Commission's salary from the Economic Adjustment Assistance revolving loan grant. There is no supporting documentation of the time allocated to the management of grant funds.

Context

The lack of controls and noncompliance was a systemic problem during the period.

Criteria

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

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

OMB Circular A-87, attachment B, section 8(h)(4) states in part:

"Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation which meets the standards in subsection (5) unless a statistical sampling system (see subsection (6)) or other substitute system has been approved by the cognizant Federal agency. . . ."

Cause

Management of the City had not designed or implemented internal control procedures to ensure compliance with the Allowable Cost/Cost Principles compliance requirements of the program. The City did not have controls in place to ensure that documentation was maintained for salaries paid with federal monies.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected which could have resulted in the loss of federal funds to the City.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls, including segregation of duties, and comply with the grant agreement and Allowable Costs/Cost Principles compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

FINDING 2014-009 - REPORTING

Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-19-01414

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirements. No supporting records were maintained for the ED-209, Semi-Annual Report for EDA-Funded RLF Grants report, and the SF-425, Federal Financial Report was not prepared or submitted.

Context

The lack of controls and noncompliance was a systemic problem during the period audited.

Criteria

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

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

13 CFR 307.6 states in part:

"In addition to the post-approval requirements set forth in § 302.18 of this chapter:

- (a) Strategy Grants shall comply with the applicable provisions of part 303 of this chapter;
- (b) Implementation Grants involving construction shall comply with the provisions of subpart B of part 305 of this chapter;
- (c) Implementation Grants not involving construction shall comply with the applicable provisions of subpart A of part 306 of this chapter; and
- (d) RLF Grants shall comply with the requirements set forth in this part and in the following publications:
 - (1) EDA's RLF Standard Terms and Conditions; and
 - (2) The compliance supplement to OMB Circular A-133 (the '*Compliance Supplement*')."

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

15 CFR 24.42 states in part:

"(a) *Applicability.*

- (1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:
 - (i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or
 - (ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement.
- (2) This section does not apply to records maintained by contractors or subcontractors. For a requirement to place a provision concerning records in certain kinds of contracts, see § 24.36(i)(10).

(b) *Length of retention period.*

- (1) Except as otherwise provided, records must be retained for three years from the starting date specified in paragraph (c) of this section. . . ."

Cause

Management of the City had not designed or implemented internal control procedures to ensure compliance with the Reporting compliance requirement of the program. The City did not have controls in place to ensure that all required reports were submitted or that supporting documentation was maintained for submitted reports.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected which could have resulted in the loss of federal funds to the City.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls, including segregation of duties, and comply with the grant agreement and Reporting compliance requirements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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

FINDING 2014-010 - SUBRECIPIENT MONITORING

Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-19-01414

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and Subrecipient Monitoring compliance requirement. The City did not notify or provide their subrecipients with any federal award information nor did the City monitor the activities of their subrecipients. The only communication between the City and their subrecipients were through loan payments. In addition, the City waived interest for the first six months.

Context

The lack of controls and noncompliance was a systemic problem during the period audited.

Criteria

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

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

OMB Circular A-133, Subpart D, Section 400(d) states in part:

"A pass-through entity shall perform the following for the Federal awards it makes:

- (1) Identify Federal awards made by informing each subrecipient of CFDA title and number, award name and number, award year, if the award is R&D, and name of Federal agency. When some of this information is not available, the pass-through entity shall provide the best information available to describe the Federal award.
- (2) Advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.
- (3) Monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goal are achieved. . . ."

Per the Grant Agreement, the General Terms and Conditions state in part:

"(13) Loans made from the Fund shall bear interest at a rate not less than the rate in effect for initial business loans made from the Fund."

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

Cause

Management of the City had not designed or implemented internal control procedures to ensure compliance with the Subrecipient Monitoring compliance requirement of the program. The City did not have controls in place to ensure that all required information was provided to subrecipients or to ensure that subrecipients were monitored for compliance with federal requirements.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected which could have resulted in the loss of federal funds to the City.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls, including segregation of duties, and comply with the grant agreement and Subrecipient Monitoring compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2014-011 - SPECIAL TESTS AND PROVISIONS - LOAN REQUIREMENTS

Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-19-01414

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Loan Requirements compliance requirement.

The City did not gather required signed bank turn-down letters demonstrating that credit was not otherwise available before disbursing loans.

Context

The lack of controls and noncompliance was a systemic problem during the period audited.

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

Criteria

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

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

13 CFR section 307.15(b)(2) states:

"Prior to the disbursement of any EDA funds, the RLF Recipient shall certify that standard RLF loan documents reasonably necessary or advisable for lending are in place and that these documents have been reviewed by its legal counsel for adequacy and compliance with the terms and conditions of the Grant and applicable State and local law. The standard loan documents must include, at a minimum, the following:

- (i) Loan application;
- (ii) Loan agreement;
- (iii) Board of directors' meeting minutes approving the RLF loan;
- (iv) Promissory note;
- (v) Security agreement(s);
- (vi) Deed of trust or mortgage (as applicable);
- (vii) Agreement of prior lien holder (as applicable); and
- (viii) Signed bank turn-down letter demonstrating that credit is not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed. EDA will permit the RLF Recipient to accept alternate documentation only if such documentation is allowed in the Recipient's EDA-approved RLF Plan."

Cause

Management of the City had not designed or implemented internal control procedures to ensure compliance with the Special Test and Provisions - Loan Requirements compliance requirement. The City did not have controls in place to ensure that standard loan documentation included proper signed bank turn-down letters.

Effect

The failure to establish internal controls enabled material noncompliance to go undetected which could have resulted in the loss of federal funds to the City.

Questioned Costs

There were no questioned costs identified.

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

Recommendation

We recommended that the City's management establish controls, including segregation of duties, and comply with the grant agreement and the Special Test and Provisions - Loan Requirements compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.



CORRECTIVE ACTION PLAN

FINDING 2014-001

Audrey Jones

765-747-4828

View of Responsible Official:

1. I did not add the revolving loan to the SEFA because I did not have the information for the revolving loan fund. It was housed in the Muncie Redevelopment department.
2. There were some clerical errors on the grants that were overstated because a grant was drawn down by the Economic Development thinking it was an advance grant and it was a reimbursable grant. When that happened we sent money back to them so it made the expenses look higher than what they were, which was reported as a reimbursable grant (the expenses are used reporting purposes on reimbursable grants.) Some of the other errors were that I reported the grants as reimbursable grants and they were advance grants.
3. Some of the documentation that is provided from the other departments does not have all the information or correct information so the descriptions may be incorrect.

Description of Corrective Action Plan:

1. We are in the process of merging all the Muncie Redevelopment Commission's finances to the City. All information on finances will now be housed in the Controller's Office. The Controller's office will be doing all the financial reporting for the Muncie Redevelopment Commission start January 2017.
2. I am requiring that all grant writers provide the documentation of their grants and what type of grant that it is.
3. I am requiring that all descriptions of the grants are provided by each department/grant writer that obtains the grants.

This will be in place January 2017.

Audrey Jones
12/19/16



City of MUNCIE
MUNCIE, INDIANA

FINDING 2014-002

Audrey Jones

765-747-4828

FINDING 2014-003

Views of Responsible Official:

When I took the position I used the prior department heads time sheets to reference on how things were to be handled. The time sheets that I used for reference did not have a mayor's signature for approval. I was unaware until this audit that the mayor was supposed to sign each department head's time sheet.

Description of Corrective Action Plan:

We have created a folder in the mayor's office for each department head to submit their time sheet to the mayor to review for accuracy and to sign off on.

This will be in place January 2017.

12/19/16



City of MUNCIE
MUNCIE, INDIANA

FINDING 2014-003

Todd Donati

765-216-1214

Views of Responsible Official:

The system was carried over from what had been done by the previous director for many years. So, there was no knowledge of the need to provide this.

Description of Corrective Action Plan:

However, once alerted by the SBOA, it was mutually beneficial to run all these funds through the city controller's office so accountability and control measures will be development. All the finances will be on the City of Muncie's accounting and will be handled like all city fund processes.

This will be in place January 2017.

12/19/14



City of MUNCIE
MUNCIE, INDIANA

FINDING 2014-004

Terry Whitt Bailey

765-747-4825

Views of Responsible Official:

The mileage documentation was incorrect on the wall.

Description of Corrective Action Plan:

The Controller's Office and Community Development office will communicate on a yearly basis to know what the current mileage reimbursement is.

This will be in place January 2017.

Terry Whitt Bailey
12/19/16



City of MUNCIE
MUNCIE, INDIANA

FINDING 2014-005

Arron Kidder

765-747-4853

(Formerly Augusta Consulting Brad Bookout)

765-818-1484

Views of Responsible Official:

The former economic development person handled this grant.

Description of Corrective Action Plan:

The current economic development person will review the documents and have the mayor to review for accuracy.

This will be in place January 2017.

Arron Kidder

12/19/16



City of MUNCIE
MUNCIE, INDIANA

FINDING 2014-006

Arron Kidder

765-747-4853

(Formerly Augusta Consulting Brad Bookout)

765-818-1484

Views of Responsible Official:

I cannot speak for the former process of the grant.

Description of Corrective Action Plan:

The current Economic Director will present these documents to board of works for approval and the secretary will keep documentation of the required bids.

This will be in place January 2017.

Arron Kidder

12/19/16



City of MUNCIE
MUNCIE, INDIANA

FINDIND 2014-007

Todd Donati

765-216-1214

Views of Responsible Official:

We did not realize that the requirements for the revolving loan fund were not being followed. The board did approve revolving loan funds and then the director would provide the loan to the applicants.

The board will continue to approve the loans and the process will be started with the director. The loan will be through the controller's office to approve the accurate information.

This will be in place January 2017.

12/19/16



City of MUNCIE

MUNCIE, INDIANA

FINDING 2014-008

Todd Donati

765-216-1214

Currently 40% of the Muncie Redevelopment Commission budget is paid by the revolving loan fund. 60% is paid from the EDIT funds by the City of Muncie.

The director will get another inter-local agreement and will provide documentation on the time spent on certain tasks including the revolving loan fund. The director will have to get the board and the mayor's department to sign off on the Muncie Redevelopment Commission funding.

This will be in place January 2017.

12/19/16



City of MUNCIE
MUNCIE, INDIANA

FINDING 2014-009

Todd Donati

765-216-1214

Views of Responsible Official:

This has never been done in the past and the director was unaware it was necessary to do.

Description of Corrective Action Plan

Now that the state board of accounts has made the Muncie Development Director aware that this is required. He will report it on a quarterly and annually basis.

This will be in place January 2017.

12/19/16



City of MUNCIE
MUNCIE, INDIANA

FINDING 2014-010

Todd Donati

765-216-1214

Views of the Responsible Official:

The director stated he monitors every month to make sure they are paying their loan back. The interest being waived was found to be practice in the past.

Description of Corrective Action Plan:

The director is creating a form of documentation to show if a recipient is delinquent he will provide that to the board for signature/verification of lack of compliance.

Waive of interest will be taken to the department of commerce for approval.

This will be in place January 2017.

12/19/14



City of MUNCIE
MUNCIE, INDIANA

FINDING 2014-11

Todd Donati

765-216-1214

Views of the Responsible Official:

It was concluded to issue a loan there has to be a turn down from another banking source and we have provide documentation. The director did not know you had to get physical copies the bank denial.

Description of Corrective Action Plan:

In the future we will follow the proper guidelines established by the Muncie Industrial Revolving Loan fund board.

This will be in place January 2017.

12/19/16

OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.