

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF MARION

GRANT COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED

12/09/2020

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
City Controller:	
Audit Results and Comments:	
Overdrawn Cash Balances	6
Appropriations	6
Exit Conference	7
Common Council:	
Audit Result and Comment:	
Appropriations	10
Exit Conference	11
City Clerk:	
Audit Result and Comment:	
Timely Deposits	14
Exit Conference	15

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Julie L. Flores	01-01-19 to 12-31-20
Mayor	Jess Alumbaugh	01-01-19 to 12-31-20
City Clerk	Kathleen Kiley	01-01-19 to 12-21-20
President of the Board of Public Works and Safety	Joselyn Whitticker Brian Flynn	01-01-19 to 12-31-19 01-01-20 to 12-31-20
President of the Common Council	Alan Miller Deborah Cain	01-01-19 to 12-31-19 01-01-20 to 12-31-20
Utility Director	John C. Binkerd	01-01-19 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

TO: THE OFFICIALS OF THE CITY OF MARION, GRANT COUNTY, INDIANA

This report is supplemental to our audit report of the City of Marion (City), for the period from January 1, 2019 to December 31, 2019. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement Audit Report of the City, which provides our opinions on the City's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

September 24, 2020

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CITY CONTROLLER
CITY OF MARION

CITY CONTROLLER
CITY OF MARION
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

A similar comment appeared in prior Report B53283.

Condition and Context

The financial statement presented for audit included the following funds with overdrawn cash balances at December 31, 2019. Funds with overdrawn cash balances due to the timing of reimbursements for expenditures were not included in this comment.

Fund	Amount Overdrawn
1937 Fire Pension Fund	\$ 43,244
Insurance Reserve Fund	1,991,855

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

APPROPRIATIONS

A similar comment appeared in prior Report B53283.

Condition and Context

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
Park Non Reverting	2019	\$ 493,520
Local Law Continuing Ed	2019	46,694
Park Bond Fund	2019	3,407

Criteria

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

Indiana Code 36-4-8-2 states in part:

". . . Unless a statute provides otherwise, the fiscal officer may draw a warrant against a fund of the city only if:

- (1) an appropriation has been made for that purpose and the appropriation is not exhausted; . . ."

CITY CONTROLLER
CITY OF MARION
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2020, with Julie L. Flores, City Controller; Jess Alumbaugh, Mayor; Deborah Cain, President of the Common Council; Alan Miller, former President of the Common Council; Gary Fordyce, Sr., Common Council member; Mike Cline, Common Council member; Robin Fouce, Common Council member; and Brian Cowgill, Common Council member.

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COMMON COUNCIL
CITY OF MARION

COMMON COUNCIL
CITY OF MARION
AUDIT RESULT AND COMMENT

APPROPRIATIONS

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Condition and Context

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COMMON COUNCIL
CITY OF MARION
EXIT CONFERENCE

The contents of this report were discussed on September 24, 2020, Deborah Cain, President of the Common Council; Alan Miller, former President of the Common Council; Gary Fordyce, Sr., Common Council member; Mike Cline, Common Council member; Robin Fouce, Common Council member; and Brian Cowgill, Common Council member.

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CITY CLERK
CITY OF MARION

CITY CLERK
CITY OF MARION
AUDIT RESULT AND COMMENT

TIMELY DEPOSITS

Condition and Context

The City Court was not depositing checks timely that were received from the Grant County Sheriff. The checks are being retained as long as 75 days before being deposited.

Criteria

Indiana Code 5-13-6-1(d) states in part:

"Except as provided in subsection (g), a city . . . shall deposit funds not later than the next business day following the receipt of the funds in depositories:

- (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and
- (2) approved as depositories of state funds."

CITY CLERK
CITY OF MARION
EXIT CONFERENCE

The contents of this report were discussed on September 23, 2020, with Kathleen Kiley, City Clerk.

The contents of this report were discussed on September 24, 2020, with Deborah Cain, President of the Common Council; Alan Miller, former President of the Common Council; Gary Fordyce, Sr., Common Council member; Mike Cline, Common Council member; Robin Fouce, Common Council member; and Brian Cowgill, Common Council member.