

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF MUNCIE

DELAWARE COUNTY, INDIANA

January 1, 2019 to December 31, 2019



FILED
12/29/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Kevin Nemyer	01-01-19 to 12-31-19
	Trent Conway	01-01-20 to 11-30-20
	Craig Wright	12-01-20 to 12-31-20
Mayor	Dennis Tyler	01-01-19 to 12-31-19
	Dan Ridenour	01-01-20 to 12-31-20
President of the Common Council	Douglas Marshall	01-01-19 to 12-31-19
	Brad Polk	01-01-20 to 12-31-20
President of the Board of Public Works and Safety	John Quirk	01-01-19 to 03-05-19
	Roger Overbey	03-06-19 to 12-31-19
	Linda Gregory	01-01-20 to 12-31-20
President of the Sanitary District Board	William Smith	01-01-19 to 08-25-20
	Stephen Brand	08-26-20 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the City of Muncie (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

December 10, 2020

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CITY CONTROLLER
CITY OF MUNCIE

CITY CONTROLLER
CITY OF MUNCIE
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

A similar comment also appeared in the prior Reports B47643, B47710, B51516, B51518, and B53304, entitled *OVERDRAWN CASH BALANCES*.

Condition and Context

The financial statement presented for audit included funds with overdrawn cash balances at December 31, 2019. Cash balances of some of the City's funds were overdrawn due to grant funds operating on a reimbursement basis. Reimbursement grants require the City to expend funds and subsequently request reimbursement. However, some grant funds have remained overdrawn and not received reimbursements. Additionally, some funds were overdrawn that were not related to the timing of grant reimbursements. The City funds with overdrawn cash balances at December 31, 2019, which were not due to the timing of grant reimbursements, are listed below:

Fund	Amount Overdrawn
Local Road and Street	\$ 1,937,870
CD FY13 Home Program	6,279
CD FY14 Home Program	4,326
CD FY15 CDBG Program	54,992
E.D.I.T.	250,517

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)

CREDIT CARDS

A similar comment also appeared in prior Reports B47643, B47710, B51516, B51518, and B53304, entitled *CREDIT CARDS*.

Condition and Context

The City incurred the following transactions in a sample of three months of credit card disbursements tested in 2019:

1. Lunch-in, or work lunch meetings, were charged to the City's credit card. The receipts were typically intact; however, the names of individuals attending the meeting and the meeting agenda or meeting topic were not always included on supporting documentation. Therefore, there was not sufficient documentation to determine if these meetings were for City business purposes or personal purposes. Additionally, the City's credit card policy does not address these types of charges.
2. Charges made to the City's credit card by various departments were not always supported by documentation. The credit card policy clearly states, "Any missing receipts are the responsibility of the user." There was no indication that these amounts were reimbursed.

CITY CONTROLLER
CITY OF MUNCIE
AUDIT RESULTS AND COMMENTS
(Continued)

3. The City allows the Mayor to use a City vehicle for personal use. There is a policy authorizing personal use of vehicles and states in part, "Employees using take-home vehicles are responsible for maintaining the vehicle in a clean and neat condition. In addition they are responsible for conducting such periodic maintenance check as necessary. . . ." However, the policy does not clearly state who is financially responsible to pay for the cleanliness and maintenance of the vehicle. It is also not clear on what other vehicle expenses are allowed or unallowed. Also, the determination of personal use was not calculated and included on the Mayor's W-2 as a fringe benefit and taxed accordingly. Charges for fuel, car washes, and other maintenance of personal vehicles totaled approximately \$537.
4. Cell phone related expenses were charged to the City's credit card, but there was not sufficient documentation to determine if these were for City phones or personal cell phones. Additionally, the City's credit card policy does not address cell phone related charges. Personal cell phone expenses totaled \$25.
5. Various expenses were charged to the City's credit card with insufficient documentation to determine if they were for business purposes or personal.
6. Sales tax totaling approximately \$129 was paid on several qualifying purchases.

Charges on the three regular City credit card claims totaled approximately \$41,485. Of these charges, \$1,387 were made with no supporting documentation, and \$7,493 were made with insufficient documentation. These represent approximately 3 percent and 18 percent of total credit card charges reviewed, respectively.

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records, must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

The SBOA will not take exception to the use of credit cards by a unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance/resolution, which has been approved in the minutes.

CITY CONTROLLER
CITY OF MUNCIE
AUDIT RESULTS AND COMMENTS
(Continued)

2. Issuance and use should be handled by an official or employee designated by the governing body.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance/resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card must be returned to the custody of the responsible person.
5. The designated responsible official or employee must maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned.
6. Credit cards must not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing body and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment cannot be made on the basis of a statement or a credit card slip only. Procedures for payments must be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee may be the personal obligation of that officer or employee.
8. If authorized, an annual fee may be paid.

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

Sales taxes that are paid on qualifying purchases by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

APPROPRIATIONS

A similar comment also appeared in the prior Report B53304, entitled *APPROPRIATIONS*.

Condition and Context

For 2019, disbursements exceeded the amounts budgeted for the following funds:

Fund	Excess Amount Expended
General Fund	\$ 894,504
Fire Pension	36,360
Local Road and Street	895,598
Bond Revenue/Tuhey Pool	7,103
Cemetery Operating	13,416

CITY CONTROLLER
CITY OF MUNCIE
AUDIT RESULTS AND COMMENTS
(Continued)

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 6-1.1-18-5 states in part:

"(a) If the proper officers of a political subdivision desire to appropriate more money for a particular year than the amount prescribed in the budget for that year as finally determined under this article, they shall give notice of their proposed additional appropriation. The notice shall state the time and place at which a public hearing will be held on the proposal. The notice shall be given once in accordance with [IC 5-3-1-2\(b\)](#). . . .

(d) A political subdivision may make an additional appropriation without approval of the department of local government finance if the additional appropriation is made from a fund that is not described under subsection (b). However, the fiscal officer of the political subdivision shall report the additional appropriation to the department of local government finance.

(e) After the public hearing, the proper officers of the political subdivision shall file a certified copy of their final proposal and any other relevant information to the department of local government finance."

LATE SUBMISSION OF ANNUAL FINANCIAL REPORT

Condition and Context

The City's Annual Financial Report for 2019 was not filed electronically until June 29, 2020, which was 121 days past the due date.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

MOTOR VEHICLE HIGHWAY RESTRICTED FUND

Condition and Context

The City did not establish a new sub-fund or allocate 50 percent of the distributions from the State Motor Vehicle Highway (MVH) Account to MVH Restricted during the audit period. Therefore, we were unable to determine if the City used at least 50 percent for the purposes specified in Indiana Code 8-14-1-5(c).

CITY CONTROLLER
CITY OF MUNCIE
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

The purpose of this Directive is to authorize and require . . . cities, and towns that receive distributions from the State Motor Vehicle Highway Account to **create a new sub-fund within the MVH Fund** to properly manage and account for the usage restrictions that were included in House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018. . . .

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

Indiana Code 8-14-1-5(c) states: "For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

CITY CONTROLLER
CITY OF MUNCIE
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2020, with Craig Wright, City Controller; Dan Ridenour, Mayor; Aaron Clark, Common Council member; Anitra Davis, Common Council member; Troy Ingram, Common Council member; Richard Ivy, Common Council member; and Jeff Robinson, Common Council member.

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REDEVELOPMENT COMMISSION
CITY OF MUNCIE

REDEVELOPMENT COMMISSION
CITY OF MUNCIE
AUDIT RESULT AND COMMENT

TAX INCREMENT FINANCING (TIF) ALLOCATION DISBURSEMENTS

A similar comment also appeared in the prior Reports B51516, B51518, and B53304, entitled *TAX INCREMENT FINANCING (TIF) ALLOCATION DISBURSEMENTS*.

Condition and Context

We identified disbursements, which were not included in the redevelopment plan and resolution, as part of the redevelopment project under Indiana Code 36-7-14-15 and Indiana Code 36-7-14-16.

We identified disbursements from the Redevelopment Commission funds containing TIF allocation proceeds that were determined to be operating and capital costs of the City, or for items unrelated to the redevelopment plan or project, rather than expenses related to the duties and powers of the Redevelopment Commission as stated in Indiana Code 36-7-14-11 and Indiana Code 36-7-14-12.2.

Disbursements identified as operating and capital costs of the City or items not included within the redevelopment plan or project were as follows:

Description	Amount
Co: Lab Operating Expenses	\$ 16,570
Parking Garage Operating Expenses	59,311
City Capital Expense - Fire Vehicles Payment	100,000
City Capital Expense - Police Body Cameras Lease	<u>90,966</u>
 Total	 <u>\$ 266,847</u>

Criteria

A Redevelopment Commission has the duties set forth in Indiana Code 36-7-14-11, which provides for the investigation, selection, acquisition development, and disposal of property in "areas needing redevelopment." The powers granted to a redevelopment commission in Indiana Code 36-7-14-12.2 allow the commission to develop property in the areas needing redevelopment and to carry out other activities "for redevelopment purposes." "Redevelopment" includes activities contained in Indiana Code 36-7-1-18.

The general operating costs of the City should be paid from the City's General Fund as set forth in the Accounting and Uniform Compliance Guidelines for Cities and Towns, Chapter 4:

GAAFR defines the General Fund as the fund used to account for all financial resources except those required to be accounted for in another fund. The General Fund is the general operating fund of the municipality. Tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures of the municipality are paid from the General Fund.

To summarize, the General Fund shall be used for current general operations of the city or town. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

Indiana Code 36-7-14-39(b)(3) states in part:

". . . property tax proceeds . . . shall be allocated to the redevelopment district and when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

REDEVELOPMENT COMMISSION
CITY OF MUNCIE
AUDIT RESULT AND COMMENT
(Continued)

- (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.
- (D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.
- (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.
- (G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.
- (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.
- (I) For property taxes first due and payable before January 1, 2009, . . .
- (J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.
- (K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located: (i) in the allocation area; and (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance. . . .
- (L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. . . .
- (M) Expend money and provide financial assistance as authorized in section 12.2(a)(27) of this chapter.

The allocation fund may not be used for operating expenses of the commission."

The uses of TIF funds are restricted to those set forth in the Indiana Code. The power of a redevelopment commission to expend such funds is limited to the express statutory powers as set forth in Indiana Code 36-7-14. The use of TIF funds for ongoing maintenance of redeveloped property is not an expressly or impliedly permitted use, except as provided in Indiana Code 36-7-1-18(7) for repairing and maintaining buildings acquired before redevelopment is complete. (Redevelopment Commission of the Town of Munster, Indiana, v. Indiana State Board of Accounts and Paul D. Joyce, State Examiner of State Board of Accounts, 28 N.E.3d 272 (Ind. App., 2015) trans. denied, 34 N.E.3d 251)

REDEVELOPMENT COMMISSION
CITY OF MUNCIE
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2020, with Todd Donati, former Director; Craig Wright, City Controller; Dan Ridenour, Mayor; Aaron Clark, Common Council member; Anitra Davis, Common Council member; Troy Ingram, Common Council member; Richard Ivy, Common Council member; Jeff Robinson, Common Council member; John Barlow, Muncie Sanitary District (MSD) Administrator; Deana Cox, MSD Financial & Billing Manager; Stephen Brand, President of the Sanitary District Board; Tonya Brothers-Bridge, MSD Board member; Joseph Evans, MSD Board member; Bill Smith, MSD Board member; Brian Stephens-Hotopp, MSD Board member; and Mark McKinney, MSD Attorney.

SANITARY DISTRICT
CITY OF MUNCIE

SANITARY DISTRICT
CITY OF MUNCIE
AUDIT RESULTS AND COMMENTS

CREDIT CARDS

A similar comment also appeared in prior Reports B51516, B51518, and B53304, entitled *CREDIT CARDS*.

Condition and Context

Per our testing of five months of credit card disbursements, the Sanitary District (District) incurred the following transactions in 2019:

1. Lunch-in, or work lunch meetings, were frequently charged to the District's credit card. The receipts were typically intact; however, the names of individuals attending the meeting and the meeting agenda or meeting topic were not always included on supporting documentation. Therefore, there was not sufficient documentation to determine if these meetings were for District business or personal purposes.
2. The Sanitary District Coordinator (Coordinator) was allowed to use a District vehicle for personal use and charged vehicle expenses totaling approximately \$602 to the District's credit card. These expenses included items, such as gas while not in travel status, OnStar, car washes, the purchase of a warranty, and the inspection of the vehicle. The District does not have clear guidelines on which vehicle expenses, if any, the employee is responsible for when using a District vehicle for personal use. Also, the determination of personal use was not calculated and included on the Coordinator's W-2 as a fringe benefit and taxed accordingly.
3. Gift cards were charged to the District's credit card with no description of the purpose of the purchase.
4. Protective phone cases and other accessories totaling approximately \$146 were charged to the District's credit card, but there was not sufficient documentation to determine if these were for District or personal cell phones.

Charges on the five district credit card claims reviewed totaled approximately \$26,645. Of the charges that we tested, approximately \$184 were made with no supporting documentation and \$602 were made with insufficient documentation. These represent approximately 1 percent and 4 percent of total verifiable credit card charges reviewed, respectively.

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

SANITARY DISTRICT
CITY OF MUNCIE
AUDIT RESULTS AND COMMENTS
(Continued)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

The SBOA will not take exception to the use of credit cards by a unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance/resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the governing body.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance/resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card must be returned to the custody of the responsible person.
5. The designated responsible official or employee must maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned.
6. Credit cards must not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing body and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment cannot be made on the basis of a statement or a credit card slip only. Procedures for payments must be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee may be the personal obligation of that officer or employee.
8. If authorized, an annual fee may be paid.

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

SANITARY DISTRICT
CITY OF MUNCIE
AUDIT RESULTS AND COMMENTS
(Continued)

PERSONAL CELL PHONE REIMBURSEMENT

Condition and Context

During 2019, the Sanitary District reimbursed three employees totaling \$786, \$809, and \$748, respectively, for a portion of their personal cell phone bill, but did not have sufficient documentation detailing the business purpose portion of their bill. Additionally, one employee was reimbursed a total of \$85 for unspecified one-time charges on their bill. These charges were not supported by documentation detailing the business purpose of the charge. Additionally, one employee was reimbursed for multiple devices (a cell phone and a tablet). The Sanitary District has a resolution and policy addressing personal cell phone reimbursement; however, it does not address the following items:

1. Which employees are eligible for reimbursement.
2. The resolution states in part, ". . . the District may reimburse them up to \$100," but it does not state how often the eligible employees can receive this reimbursement.
3. The resolution does not provide any guidance on what documentation the employee should provide to receive the reimbursement.
4. The resolution does not address the calculation and reporting of the fringe benefit.
5. The resolution does not address which one-time charges are allowable and what documentation should be maintained to support them.
6. The resolution does not address whether multiple devices or lines may be reimbursed for one employee.

Criteria

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the unit. Any personal expenses paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)



OFFICIAL RESPONSE

12/16/20

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN. 46204-2765

Re: Muncie Sanitary District response to SBOA audit

The Muncie Sanitary District acknowledges the findings noted in the Audit Results and Comments and exit interview by SBOA. Corrective action has been implemented and further review is ongoing. A Corrective Action Plan has been submitted regarding Credit Card use and the noted Cell Phone comments will precipitate a thorough review and/or amendment of the policy in place.

Items of note from MSD regarding ARC:

- Job titles and vehicle classifications should be referenced only after confirmation with MSD Administration/Finance to assure proper accuracy.
- Some of the documentation noted by SBOA as missing or insufficient was available to the auditors, had a request been made of the MSD Financial department.

Respectfully,

A handwritten signature in black ink, appearing to read "John Barlow", with a long horizontal flourish extending to the right.

John Barlow - District Administrator

A handwritten signature in blue ink, appearing to read "Stephen Brand", with a long horizontal flourish extending to the right.

Stephen Brand – MSD Board President



SANITARY DISTRICT
CITY OF MUNCIE
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2020, with Craig Wright, City Controller; Dan Ridenour, Mayor; Aaron Clark, Common Council member; Anitra Davis, Common Council member; Troy Ingram, Common Council member; Richard Ivy, Common Council member; Jeff Robinson, Common Council member; John Barlow, Muncie Sanitary District (MSD) Administrator; Deana Cox, MSD Financial & Billing Manager; Stephen Brand, President of the Sanitary District Board; Tonya Brothers-Bridge, MSD Board member; Joseph Evans, MSD Board member; Bill Smith, MSD Board member; Brian Stephens-Hotopp, MSD Board member; and Mark McKinney, MSD Attorney.