

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF NEW ALBANY

FLOYD COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED

11/22/2022

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
City Controller:	
Audit Result and Comment:	
Motor Vehicle Highway (MVH) - Restricted Fund	6
Official Response.....	7
Exit Conference	8
Street Department:	
Audit Result and Comment:	
Motor Vehicle Highway (MVH) - Restricted Fund	10
Exit Conference	11

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Linda Moeller	01-01-21 to 12-31-22
Mayor	Jeff Gahan	01-01-21 to 12-31-22
President of the Board of Public Works and Safety	Warren V. Nash Mickey Thompson	01-01-21 to 01-12-22 01-13-22 to 12-31-22
President of the Common Council	Greg H. Phipps Jason Applegate	01-01-21 to 12-31-21 01-01-22 to 12-31-22
Utility Office Manager	April Dickey	01-01-21 to 12-31-22



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 NEW ALBANY, FLOYD COUNTY, INDIANA

This report is supplemental to our audit report of the City of New Albany (City), for the period from January 1, 2021 to December 31, 2021. 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.

A handwritten signature in blue ink that reads "Beth Kelley".

Beth Kelley, CPA, CFE
Deputy State Examiner

November 9, 2022

(This page intentionally left blank.)

CITY CONTROLLER
CITY OF NEW ALBANY

CITY CONTROLLER
CITY OF NEW ALBANY
AUDIT RESULT AND COMMENT

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

A similar comment also appeared in prior Report B57908.

Condition and Context

A review of disbursements paid from the MVH Restricted fund showed that they were all for payroll-related expenses. The documentation indicated payroll-related expenses were incurred for work performed for trash pickup, leaf pickup, street sweeping, cutting tree branches, and putting up holiday decorations. These activities were not costs associated with the construction, reconstruction, or preservation of the City's highways.

Criteria

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 of New Albany, Indiana
Linda Moeller
City Controller

OFFICIAL RESPONSE

Date: November 18, 2022

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

Re: Official Response of 2021 Audit

The City of New Albany ("City") has implemented numerous policies and procedures over the years to meet state rules and regulations, including the Motor Vehicle Highway Restricted Fund. The City will continue to do so in the future to ensure audits by the State Board of Accounts are acceptable. The City is also pleased with the 2022 audit in that only one minor error in recording of work duties was documented and commented upon by the State Board of Accounts.

With respect to policies and procedures related to the Motor Vehicle Highway Restricted Fund ("MVH-Restricted"), which requires 50% of the funding be used for construction, reconstruction, and preservation of the city's highway, corrective measures will be reviewed and implemented. These measures will address and account for the funds used as they relate to staffing of work beneficial to the City operations and work related to the Motor Vehicle Restricted Fund to ensure allocations are properly and/or directly related to the criteria above. The Street Commissioner, who oversees the department and Motor Vehicle Highway Restricted Fund, will actively participate in proper implementation of procedures, review, and recording.

Linda Moeller
City Controller

CITY CONTROLLER
CITY OF NEW ALBANY
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2022, with Jeff Gahan, Mayor; Linda Moeller, City Controller; Shane Gibson, City Attorney; Jason Applegate, President of the Common Council; Adam Dickey, Common Council member; Josh Turner, Common Council member; and Scott Blair, Common Council member.

STREET DEPARTMENT
CITY OF NEW ALBANY

STREET DEPARTMENT
CITY OF NEW ALBANY
AUDIT RESULT AND COMMENT

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

A similar comment also appeared in prior Report B57908.

Condition and Context

A review of disbursements paid from the MVH Restricted fund showed that they were all for payroll-related expenses. The documentation indicated payroll-related expenses were incurred for work performed for trash pickup, leaf pickup, street sweeping, cutting tree branches, and putting up holiday decorations. These activities were not costs associated with the construction, reconstruction, or preservation of the City's highways.

Criteria

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."

STREET DEPARTMENT
CITY OF NEW ALBANY
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2022, with Jeff Gahan, Mayor; Linda Moeller, City Controller; Shane Gibson, City Attorney; Jason Applegate, President of the Common Council; Adam Dickey, Common Council member; Josh Turner, Common Council member; and Scott Blair, Common Council member.