

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF COLUMBIA CITY
WHITLEY COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
06/12/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rosie M. Coyle	01-01-12 to 12-31-15
Mayor	Ryan L. Daniel	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Ryan L. Daniel	01-01-12 to 12-31-15
President of the Common Council	Daniel L. Weigold	01-01-12 to 12-31-13
Superintendent of Water Utility	Michael D. Dear	01-01-12 to 12-31-13
Superintendent of Wastewater Utility	Michel C. Cook	01-01-12 to 12-31-13
Superintendent of Electric Utility	Larry G. Whetstone	01-01-12 to 12-31-13



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF COLUMBIA CITY, WHITLEY COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Columbia City (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation in the circumstances. 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, 2012.

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, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 1, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

Other Information

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16), enhanced wireless emergency telephone fees (IC 36-8-16.5), and statewide 911 services fees (IC 36-8-16.7). In accordance with Indiana Code 36-8-16-14, Indiana Code 36-8-16.5-41, and Indiana Code 36-8-16.7-38, these fees have been subject to an annual audit performed by the Indiana State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.



Bruce Hartman
State Examiner

May 1, 2013



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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 COLUMBIA CITY, WHITLEY 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 Columbia City (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated May 1, 2013, 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.

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

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

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



Bruce Hartman
State Examiner

May 1, 2013

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FINANCIAL STATEMENT

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 COLUMBIA CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 125,937	\$ 3,059,535	\$ 3,001,508	\$ 183,964
Motor Vehicle Highway	106,382	573,698	616,173	63,907
Local Road and Street	150	40,753	40,630	273
Parking Meter	5,904	4,091	5,839	4,156
Fire Violations	70	3	-	73
Park and Recreation Non Reverting	8,509	191,364	191,089	8,784
Economic Development - Redevelopment	92,926	41,076	24,421	109,581
Solid Waste	30,044	344,805	342,989	31,860
Housing Grant #3	123,758	4,181	-	127,939
Law Enforcement Training	1,125	6,853	1,159	6,819
Riverboat Gambling	184,014	51,888	25,333	210,569
Enhanced 911	24,745	10,828	12,034	23,539
Park and Recreation Tax	56,397	325,661	362,422	19,636
Rainy Day	1,110,514	131,015	202,034	1,039,495
EDIT (CIP) Community Development	223,863	442,486	400,114	266,235
Hazardous Material Response	823	12	-	835
Federal Equitable Sharing	96	-	-	96
Levy Excess	-	41,982	-	41,982
IHCDA Recap Grant DF 008-016	96,412	-	93,625	2,787
Cumulative Capital Improvement	2,669	23,207	19,693	6,183
Cumulative Capital Development	(2,710)	128,767	100,000	26,057
Cumulative Bridge and Street	158,659	71,115	100,000	129,774
Cumulative Fire Special	227,088	45,342	23,973	248,457
Cumulative Park and Recreation	75,579	22,748	53,491	44,836
General Improvement	16,918	1,336	-	18,254
TIF Redevelopment	171,650	35,635	40,287	166,998
Information Services	11,339	56,656	44,100	23,895
Group Insurance	(103,163)	1,234,333	1,135,605	(4,435)
Police Pension	219,269	199,961	183,264	235,966
Sales Tax	210	235	445	-
Cemetery	23,358	13,252	13,234	23,376
EPA Brownfield Grant	3,379	49,652	49,652	3,379
Bicentennial Committee	697	-	-	697
Police OPO Grant	211	-	-	211
Revolving Loan - Redevelopment	917	34,223	19,500	15,640
Wayne Waste Financial Assurance	40,870	55,000	52,498	43,372
Fire Equipment Bond	(3,838)	154,890	119,120	31,932
Group Insurance - Retiree	26,069	12,100	-	38,169
Cemetery Endowment	23,832	900	875	23,857
Park Donation	61,065	222,135	108,460	174,740
Donations	375,876	12,470	11,071	377,275
Payroll Clearing Account	1,148	4,467,516	4,464,022	4,642
Electric Operating	1,552,938	10,987,864	10,817,878	1,722,924
Electric Meter Deposit	232,778	29,080	23,858	238,000
Electric Depreciation	203,551	60,000	82,846	180,705
Electric Cash Reserve	388,363	240,000	184,008	444,355
Storm Water Operating	798,104	746,193	682,637	861,660
WPC Debt Reserve	1,505,036	63,313	-	1,568,349
WPC Sinking	99,888	1,711,048	891,617	919,319
Water Pollution Control Operating	246,794	3,969,429	4,131,687	84,536
WPC Improvement	26,260	315,000	318,494	22,766
WPC Cash Reserve	108,856	114,000	180,000	42,856
Water Bond and Interest	58,444	287,660	269,805	76,299
Water Debt Reserve	271,703	2,086	-	273,789
Water Construction	-	2,000,000	24,300	1,975,700
Water Cash Reserve	8,688	28,000	36,000	688
Water Operating	(62,263)	1,787,394	1,908,050	(182,919)
Water Meter Deposits	41,240	4,660	2,010	43,890
Water Depreciation	95,281	129,539	142,488	82,332
Totals	<u>\$ 9,098,422</u>	<u>\$ 34,586,970</u>	<u>\$ 31,554,338</u>	<u>\$ 12,131,054</u>

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

CITY OF COLUMBIA CITY
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, storm water, trash, and urban redevelopment and housing.

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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 taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

CITY OF COLUMBIA CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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 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 include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

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

Utility operating expenses which include all outflows for operating the utilities.

CITY OF COLUMBIA CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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.

CITY OF COLUMBIA CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

Indiana Public Retirement System
1 North Capital Street, 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.

CITY OF COLUMBIA CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Plan Description

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

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

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

CITY OF COLUMBIA CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficit

The financial statement contains some funds with deficits in cash. This is a result of funds to be distributed in 2013.

Note 8. Other Postemployment Benefits

The City provides to eligible retirees and their spouses the following benefits; health insurance. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

CITY OF COLUMBIA CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road and Street	Parking Meter	Fire Violations	Park and Recreation Non Reverting	Economic Development - Redevelopment	Solid Waste
Cash and investments - beginning	\$ 125,937	\$ 106,382	\$ 150	\$ 5,904	\$ 70	\$ 8,509	\$ 92,926	\$ 30,044
Receipts:								
Taxes	1,210,593	313,075	-	-	-	-	36,324	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,773,964	257,098	40,753	-	-	-	4,575	-
Charges for services	16,500	3,465	-	-	-	86,082	-	344,805
Fines and forfeits	51,515	-	-	4,091	3	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	6,963	60	-	-	-	105,282	177	-
Total receipts	<u>3,059,535</u>	<u>573,698</u>	<u>40,753</u>	<u>4,091</u>	<u>3</u>	<u>191,364</u>	<u>41,076</u>	<u>344,805</u>
Disbursements:								
Personal services	2,180,343	289,763	-	-	-	23,434	-	-
Supplies	182,870	127,996	-	5,116	-	70,786	-	-
Other services and charges	432,669	198,414	40,630	723	-	96,869	24,421	342,989
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	33,502	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	172,124	-	-	-	-	-	-	-
Total disbursements	<u>3,001,508</u>	<u>616,173</u>	<u>40,630</u>	<u>5,839</u>	<u>-</u>	<u>191,089</u>	<u>24,421</u>	<u>342,989</u>
Excess (deficiency) of receipts over disbursements	<u>58,027</u>	<u>(42,475)</u>	<u>123</u>	<u>(1,748)</u>	<u>3</u>	<u>275</u>	<u>16,655</u>	<u>1,816</u>
Cash and investments - ending	<u>\$ 183,964</u>	<u>\$ 63,907</u>	<u>\$ 273</u>	<u>\$ 4,156</u>	<u>\$ 73</u>	<u>\$ 8,784</u>	<u>\$ 109,581</u>	<u>\$ 31,860</u>

CITY OF COLUMBIA CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Housing Grant #3	Law Enforcement Training	Riverboat Gambling	Enhanced 911	Park and Recreation Tax	Rainy Day	EDIT (CIP) Community Development	Hazardous Material Response
Cash and investments - beginning	\$ 123,758	\$ 1,125	\$ 184,014	\$ 24,745	\$ 56,397	\$ 1,110,514	\$ 223,863	\$ 823
Receipts:								
Taxes	-	-	-	-	282,625	-	-	-
Licenses and permits	-	3,330	-	-	-	-	-	-
Intergovernmental	-	-	51,834	-	35,599	-	361,563	-
Charges for services	-	1,918	-	10,828	-	-	-	12
Fines and forfeits	-	1,605	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	4,181	-	54	-	7,437	131,015	80,923	-
Total receipts	4,181	6,853	51,888	10,828	325,661	131,015	442,486	12
Disbursements:								
Personal services	-	-	-	11,211	245,559	-	-	-
Supplies	-	-	-	-	18,873	-	65,693	-
Other services and charges	-	1,060	-	-	97,990	202,034	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	99	25,333	-	-	-	334,421	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	823	-	-	-	-
Total disbursements	-	1,159	25,333	12,034	362,422	202,034	400,114	-
Excess (deficiency) of receipts over disbursements	4,181	5,694	26,555	(1,206)	(36,761)	(71,019)	42,372	12
Cash and investments - ending	\$ 127,939	\$ 6,819	\$ 210,569	\$ 23,539	\$ 19,636	\$ 1,039,495	\$ 266,235	\$ 835

CITY OF COLUMBIA CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Federal Equitable Sharing	Levy Excess	IHCDA Recap Grant DF 008-016	Cumulative Capital Improvement	Cumulative Capital Development	Cumulative Bridge and Street	Cumulative Fire Special	Cumulative Park and Recreation
Cash and investments - beginning	\$ 96	\$ -	\$ 96,412	\$ 2,669	\$ (2,710)	\$ 158,659	\$ 227,088	\$ 75,579
Receipts:								
Taxes	-	-	-	-	114,362	63,040	40,074	20,154
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	41,982	-	23,207	14,405	7,940	5,048	2,539
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	135	220	55
Total receipts	-	41,982	-	23,207	128,767	71,115	45,342	22,748
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	93,625	-	-	-	1,860	53,491
Debt service - principal and interest	-	-	-	19,693	100,000	-	-	-
Capital outlay	-	-	-	-	-	100,000	22,113	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	93,625	19,693	100,000	100,000	23,973	53,491
Excess (deficiency) of receipts over disbursements	-	41,982	(93,625)	3,514	28,767	(28,885)	21,369	(30,743)
Cash and investments - ending	\$ 96	\$ 41,982	\$ 2,787	\$ 6,183	\$ 26,057	\$ 129,774	\$ 248,457	\$ 44,836

CITY OF COLUMBIA CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	General Improvement	TIF Redevelopment	Information Services	Group Insurance	Police Pension	Sales Tax	Cemetery	EPA Brownfield Grant
Cash and investments - beginning	\$ 16,918	\$ 171,650	\$ 11,339	\$ (103,163)	\$ 219,269	\$ 210	\$ 23,358	\$ 3,379
Receipts:								
Taxes	-	35,635	-	-	-	235	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	1,336	-	-	-	-	-	13,240	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	56,656	1,234,333	199,961	-	12	49,652
Total receipts	<u>1,336</u>	<u>35,635</u>	<u>56,656</u>	<u>1,234,333</u>	<u>199,961</u>	<u>235</u>	<u>13,252</u>	<u>49,652</u>
Disbursements:								
Personal services	-	-	-	-	183,264	-	4,942	-
Supplies	-	-	-	-	-	-	537	-
Other services and charges	-	40,287	14,289	1,135,605	-	445	7,755	49,652
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	29,811	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>40,287</u>	<u>44,100</u>	<u>1,135,605</u>	<u>183,264</u>	<u>445</u>	<u>13,234</u>	<u>49,652</u>
Excess (deficiency) of receipts over disbursements	<u>1,336</u>	<u>(4,652)</u>	<u>12,556</u>	<u>98,728</u>	<u>16,697</u>	<u>(210)</u>	<u>18</u>	<u>-</u>
Cash and investments - ending	<u>\$ 18,254</u>	<u>\$ 166,998</u>	<u>\$ 23,895</u>	<u>\$ (4,435)</u>	<u>\$ 235,966</u>	<u>\$ -</u>	<u>\$ 23,376</u>	<u>\$ 3,379</u>

CITY OF COLUMBIA CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Bicentennial Committee	Police OPO Grant	Revolving Loan - Redevelopment	Wayne Waste Financial Assurance	Fire Equipment Bond	Group Insurance - Retiree	Cemetery Endowment	Park Donation
Cash and investments - beginning	\$ 697	\$ 211	\$ 917	\$ 40,870	\$ (3,838)	\$ 26,069	\$ 23,832	\$ 61,065
Receipts:								
Taxes	-	-	-	-	137,563	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	17,327	-	-	-
Charges for services	-	-	-	-	-	-	900	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	34,223	55,000	-	12,100	-	222,135
Total receipts	-	-	34,223	55,000	154,890	12,100	900	222,135
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	19,500	-	-	-	875	108,460
Debt service - principal and interest	-	-	-	-	119,120	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	52,498	-	-	-	-
Total disbursements	-	-	19,500	52,498	119,120	-	875	108,460
Excess (deficiency) of receipts over disbursements	-	-	14,723	2,502	35,770	12,100	25	113,675
Cash and investments - ending	\$ 697	\$ 211	\$ 15,640	\$ 43,372	\$ 31,932	\$ 38,169	\$ 23,857	\$ 174,740

CITY OF COLUMBIA CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Donations	Payroll Clearing Account	Electric Operating	Electric Meter Deposit	Electric Depreciation	Electric Cash Reserve	Storm Water Operating
Cash and investments - beginning	\$ 375,876	\$ 1,148	\$ 1,552,938	\$ 232,778	\$ 203,551	\$ 388,363	\$ 798,104
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	10,588,440	29,080	-	-	745,368
Other receipts	12,470	4,467,516	399,424	-	60,000	240,000	825
Total receipts	12,470	4,467,516	10,987,864	29,080	60,000	240,000	746,193
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	11,071	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	148,616	-	82,846	-	36,002
Utility operating expenses	-	-	10,369,262	23,858	-	-	646,635
Other disbursements	-	4,464,022	300,000	-	-	184,008	-
Total disbursements	11,071	4,464,022	10,817,878	23,858	82,846	184,008	682,637
Excess (deficiency) of receipts over disbursements	1,399	3,494	169,986	5,222	(22,846)	55,992	63,556
Cash and investments - ending	\$ 377,275	\$ 4,642	\$ 1,722,924	\$ 238,000	\$ 180,705	\$ 444,355	\$ 861,660

CITY OF COLUMBIA CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	WPC Debt Reserve	WPC Sinking	Water Pollution Control Operating	WPC Improvement	WPC Cash Reserve	Water Bond and Interest	Water Debt Reserve
Cash and investments - beginning	\$ 1,505,036	\$ 99,888	\$ 246,794	\$ 26,260	\$ 108,856	\$ 58,444	\$ 271,703
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	3,574,622	-	-	-	-
Other receipts	63,313	1,711,048	394,807	315,000	114,000	287,660	2,086
Total receipts	63,313	1,711,048	3,969,429	315,000	114,000	287,660	2,086
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	1,190	318,494	-	-	-
Utility operating expenses	-	-	1,927,136	-	-	-	-
Other disbursements	-	891,617	2,203,361	-	180,000	269,805	-
Total disbursements	-	891,617	4,131,687	318,494	180,000	269,805	-
Excess (deficiency) of receipts over disbursements	63,313	819,431	(162,258)	(3,494)	(66,000)	17,855	2,086
Cash and investments - ending	\$ 1,568,349	\$ 919,319	\$ 84,536	\$ 22,766	\$ 42,856	\$ 76,299	\$ 273,789

CITY OF COLUMBIA CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Water Construction	Water Cash Reserve	Water Operating	Water Meter Deposits	Water Depreciation	Totals
Cash and investments - beginning	\$ -	\$ 8,688	\$ (62,263)	\$ 41,240	\$ 95,281	\$ 9,098,422
Receipts:						
Taxes	-	-	-	-	-	2,253,680
Licenses and permits	-	-	-	-	-	3,330
Intergovernmental	-	-	-	-	-	2,637,834
Charges for services	-	-	-	-	-	479,086
Fines and forfeits	-	-	-	-	-	57,214
Utility fees	-	-	1,627,003	4,660	107,539	16,676,712
Other receipts	2,000,000	28,000	160,391	-	22,000	12,479,114
Total receipts	2,000,000	28,000	1,787,394	4,660	129,539	34,586,970
Disbursements:						
Personal services	-	-	-	-	-	2,938,516
Supplies	-	-	-	-	-	471,871
Other services and charges	-	-	-	-	-	2,974,714
Debt service - principal and interest	-	-	-	-	-	238,813
Capital outlay	24,300	-	208,885	-	135,032	1,500,644
Utility operating expenses	-	-	1,344,589	2,010	7,456	14,320,946
Other disbursements	-	36,000	354,576	-	-	9,108,834
Total disbursements	24,300	36,000	1,908,050	2,010	142,488	31,554,338
Excess (deficiency) of receipts over disbursements	1,975,700	(8,000)	(120,656)	2,650	(12,949)	3,032,632
Cash and investments - ending	\$ 1,975,700	\$ 688	\$ (182,919)	\$ 43,890	\$ 82,332	\$ 12,131,054

CITY OF COLUMBIA CITY
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

<u>Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Electric	\$ 558,484	\$ 1,013,216
Storm Water	-	81,818
Wastewater	1,791	334,580
Water	<u>16,808</u>	<u>131,496</u>
Totals	<u>\$ 577,083</u>	<u>\$ 1,561,110</u>

CITY OF COLUMBIA CITY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Fire station remodeling	\$ 376,000	\$ 118,946
Wastewater:			
Revenue bonds	Sewer expansion	691,000	43,943
Revenue bonds	Sewer expansion	13,070,000	1,130,050
Revenue bonds	Sewer expansion	5,595,000	450,167
Revenue bonds	Sewer expansion	<u>3,271,000</u>	<u>193,468</u>
Total Wastewater		<u>22,627,000</u>	<u>1,817,628</u>
Water:			
Revenue bonds	Plant expansion	1,024,000	140,047
Revenue bonds	Plant expansion	1,339,000	130,467
Revenue bonds	Infrastructure repairs	<u>2,000,000</u>	<u>140,466</u>
Total Water		<u>4,363,000</u>	<u>410,980</u>
Totals		<u>\$ 27,366,000</u>	<u>\$ 2,347,554</u>

CITY OF COLUMBIA CITY
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 88,675
Infrastructure	8,213,170
Buildings	2,234,276
Improvements other than buildings	1,484,339
Machinery, equipment and vehicles	3,533,320
Total governmental activities	15,553,780
Electric:	
Land	223,573
Buildings	1,566,314
Improvements other than buildings	9,719,203
Machinery, equipment and vehicles	2,018,606
Total Electric	13,527,696
Storm Water:	
Improvements other than buildings	276,765
Machinery, equipment and vehicles	69,166
Total Storm Water	345,931
Wastewater:	
Land	23,396
Buildings	7,648,950
Improvements other than buildings	19,649,886
Machinery, equipment and vehicles	8,457,567
Total Wastewater	35,779,799
Water:	
Land	7,654
Buildings	1,591,141
Improvements other than buildings	6,570,060
Machinery, equipment and vehicles	661,030
Total Water	8,829,885
Total capital assets	\$ 74,037,091

CITY OF COLUMBIA CITY
OTHER REPORT

The annual report presented herein was prepared in addition to the other official report prepared for the City of Columbia City Municipal Utilities.

CITY OF COLUMBIA CITY
AUDIT RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balance of the Group Insurance Fund was overdrawn \$4,435, and the Water Operating Fund was overdrawn \$182,919 at December 31, 2012.

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 governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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 COLUMBIA CITY, WHITLEY COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of Columbia City'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 its major federal program for the year ended December 31, 2012. The City's major federal program is 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 the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

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

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with 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 type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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



Bruce Hartman
State Examiner

May 1, 2013

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF COLUMBIA CITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Recreational Trails Program Trail Grant	Indiana Department of Natural Resources	20.219	RT-10-009	\$ 40,304
Total - Department of Transportation				<u>40,304</u>
<u>Environmental Protection Agency</u>				
Capitalization Grants for Clean Water State Revolving Funds Wastewater Improvements Wastewater Improvements	Indiana Finance Authority	66.458	WW0503921 WW12921204	219,214 <u>265,790</u>
Total - Capitalization Grants for Clean Water State Revolving Funds				<u>485,004</u>
ARRA - Brownfields Assessment and Cleanup Cooperative Agreements Brownfield Grant	Direct Grant	66.818	FY 2012	<u>49,652</u>
Total - Environmental Protection Agency				<u>534,656</u>
Total federal awards expended				<u>\$ 574,960</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards

CITY OF COLUMBIA CITY
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Columbia City and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF COLUMBIA CITY
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; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF COLUMBIA CITY
EXIT CONFERENCE

The contents of this report were discussed on May 1, 2013, with Rosie M. Coyle, Clerk-Treasurer; Ryan L. Daniel, Mayor; and Daniel L. Weigold, President of the Common Council. The officials concurred with our audit finding.