

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF UNION CITY

RANDOLPH COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
08/21/2013

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	6
Notes to Financial Statement.....	7-12
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	14-23
Schedule of Receivables	24
Schedule of Leases and Debt	25
Schedule of Capital Assets.....	26
Other Report	27
Exit Conference.....	28

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Anita M. Amspaugh	01-01-12 to 12-31-15
Mayor	Bryan K. Conklin	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Bryan K. Conklin	01-01-12 to 12-31-15
President of the Common Council	Timothy L. Heuss	01-01-12 to 12-31-13
City Manager	Monte G. Poling	01-01-12 to 12-31-13



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF UNION CITY, RANDOLPH COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Union City (City), for the year ended December 31, 2012. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity 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.

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, on the basis of accounting described in Note 1.

Our examination 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 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 examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Bruce Hartman
State Examiner

June 26, 2013

(This page intentionally left blank.)

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

Fund	Cash and Investments		Disbursements	Cash and Investments	
	01-01-12	Receipts		12-31-12	
General	\$ 681,963	\$ 1,877,200	\$ 1,500,359	\$ 1,058,804	
Motor Vehicle Highway	167,146	234,086	299,050	102,182	
Local Road and Street	11,397	12,078	-	23,475	
Park Nonreverting	7,335	5,015	2,285	10,065	
Animal Shelter Registration	1,341	631	765	1,207	
Law Enforcement Continuing Education	9,902	1,916	4,200	7,618	
Clerk's Record Perpetuation	4,746	542	-	5,288	
Riverboat	85,254	21,232	-	106,486	
Park and Recreation	46,166	82,672	85,581	43,257	
Rainy Day	331,018	44,037	128,095	246,960	
Police K9	50	-	-	50	
Cumulative Capital Improvement	17,989	9,506	23,325	4,170	
Cumulative Capital Development	69,630	22,556	48,500	43,686	
Criminal Justice Equipment (LEBG)	176	-	-	176	
Police Pension	62,498	35,858	36,908	61,448	
Firemen's Pension	54,104	32,906	33,287	53,723	
Cemetery	32,130	14,956	23,845	23,241	
Fitness Center	643	1,450	1,000	1,093	
EMT Training and Facilities	1,051	75	-	1,126	
Stormwater Project	51,162	9,503	60,665	-	
City Court Cash	12,829	1,246	20	14,055	
Union City Court	14,353	34,244	22,263	26,334	
Payroll - American Fidelity	-	2,953	3,100	(147)	
Levy Excess	-	11,859	-	11,859	
Payroll - Transfer Funds	-	167	167	-	
Housing Rehabilitation Grant	-	10,558	10,558	-	
Harry Loy Jr. Donations	10,619	-	-	10,619	
Ambulance Nonreverting	121,294	245,409	293,248	73,455	
CEDIT	720,600	184,500	175,331	729,769	
Utilities	39,456	183,442	203,270	19,628	
Revolving Loan	153,885	77	-	153,962	
Operation Pullover	-	4,648	4,679	(31)	
NSP Grant	49,800	94,929	43,530	101,199	
Police Donations	641	2,925	3,472	94	
Cemetery Nonreverting	146,672	6,400	50	153,022	
Payroll - Net Payroll	-	945,983	945,983	-	
Payroll - Deferred Compensation	-	1,690	1,690	-	
Payroll - Prepaid Legal	-	1,664	1,664	-	
Payroll - PERF	3,909	15,468	19,377	-	
Payroll - Federal Tax	-	115,836	115,836	-	
Payroll - State Tax	3,665	43,478	43,511	3,632	
Payroll - Social Security	-	66,430	66,430	-	
Payroll - CAGIT	1,410	16,715	16,772	1,353	
Payroll - Police/Fire Insurance Association	-	5,978	5,978	-	
Payroll - Health Insurance	90	44,669	44,759	-	
Payroll - Dental and Vision	75	12,252	12,327	-	
Payroll - Colonial Insurance	16	112	128	-	
Payroll - American Life	-	252	252	-	
Payroll - Medicare	-	34,024	34,024	-	
Payroll - Miscellaneous	-	20,323	20,323	-	
Payroll - Police Pension 1977	3,623	15,276	19,039	(140)	
Payroll - Fire Pension 1977	3,879	15,227	19,106	-	
Sewage Operating	106,047	797,864	846,870	57,041	
Sewage Bond and Interest	2,160	-	1,350	810	
Sewage Depreciation	636,169	95,640	17,110	714,699	
Sewage BoNY Debt Reserve	266,359	-	-	266,359	
Sewage BoNY Bond and Interest	6,269	253,800	124,446	135,623	
Water Tower Project	39,082	176,033	215,115	-	
Wattertower Replacement	302,926	193,079	222,428	273,577	
Water BoNY Bond and Interest	948	20,400	4,263	17,085	
Water Operating	89,971	662,992	673,810	79,153	
Water Depreciation	206,549	70,305	-	276,854	
Water Meter	74,189	24,100	18,291	79,998	
Water BoNY Debt Reserve	9,994	4,116	-	14,110	
Totals	<u>\$ 4,663,180</u>	<u>\$ 6,843,282</u>	<u>\$ 6,498,435</u>	<u>\$ 5,008,027</u>	

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

CITY OF UNION 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, gas, storm water, trash, aviation, and urban redevelopment and housing.

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 UNION 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 which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

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

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.

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.

CITY OF UNION CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

CITY OF UNION CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 UNION 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. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

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

Plan Description

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

CITY OF UNION CITY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 7. Cash Balance Deficits

The financial statement contains three funds with deficits in cash. One such deficit was due to part of a grant reimbursement not being received by December 31, 2012. The other two deficits were due to insufficient payroll withholdings, both of which have since been corrected.

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 examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

CITY OF UNION 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	Park Nonreverting	Animal Shelter Registration	Law Enforcement Continuing Education	Clerk's Record Perpetuation
Cash and investments - beginning	\$ 681,963	\$ 167,146	\$ 11,397	\$ 7,335	\$ 1,341	\$ 9,902	\$ 4,746
Receipts:							
Taxes	1,274,691	104,965	-	-	-	-	-
Licenses and permits	-	-	-	-	631	760	-
Intergovernmental	541,306	99,747	12,078	-	-	-	-
Charges for services	6	-	-	5,015	-	789	-
Fines and forfeits	4,003	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	57,194	29,374	-	-	-	367	542
Total receipts	<u>1,877,200</u>	<u>234,086</u>	<u>12,078</u>	<u>5,015</u>	<u>631</u>	<u>1,916</u>	<u>542</u>
Disbursements:							
Personal services	850,484	157,908	-	-	-	-	-
Supplies	71,796	43,296	-	-	765	-	-
Other services and charges	557,677	45,743	-	2,285	-	4,200	-
Capital outlay	20,352	52,103	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	50	-	-	-	-	-	-
Total disbursements	<u>1,500,359</u>	<u>299,050</u>	<u>-</u>	<u>2,285</u>	<u>765</u>	<u>4,200</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>376,841</u>	<u>(64,964)</u>	<u>12,078</u>	<u>2,730</u>	<u>(134)</u>	<u>(2,284)</u>	<u>542</u>
Cash and investments - ending	<u>\$ 1,058,804</u>	<u>\$ 102,182</u>	<u>\$ 23,475</u>	<u>\$ 10,065</u>	<u>\$ 1,207</u>	<u>\$ 7,618</u>	<u>\$ 5,288</u>

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

	Riverboat	Park and Recreation	Rainy Day	Police K9	Cumulative Capital Improvement	Cumulative Capital Development	Criminal Justice Equipment (LEBG)
Cash and investments - beginning	\$ 85,254	\$ 46,166	\$ 331,018	\$ 50	\$ 17,989	\$ 69,630	\$ 176
Receipts:							
Taxes	-	23,975	-	-	-	21,029	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	21,232	36,741	-	-	9,506	1,527	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	21,956	44,037	-	-	-	-
Total receipts	<u>21,232</u>	<u>82,672</u>	<u>44,037</u>	<u>-</u>	<u>9,506</u>	<u>22,556</u>	<u>-</u>
Disbursements:							
Personal services	-	28,572	-	-	-	-	-
Supplies	-	23,056	-	-	-	-	-
Other services and charges	-	33,953	-	-	20,862	-	-
Capital outlay	-	-	128,095	-	2,463	48,500	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>85,581</u>	<u>128,095</u>	<u>-</u>	<u>23,325</u>	<u>48,500</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>21,232</u>	<u>(2,909)</u>	<u>(84,058)</u>	<u>-</u>	<u>(13,819)</u>	<u>(25,944)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 106,486</u>	<u>\$ 43,257</u>	<u>\$ 246,960</u>	<u>\$ 50</u>	<u>\$ 4,170</u>	<u>\$ 43,686</u>	<u>\$ 176</u>

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

	Police Pension	Firemen's Pension	Cemetery	Fitness Center	EMT Training and Facilities	Stormwater Project	City Court Cash
Cash and investments - beginning	\$ 62,498	\$ 54,104	\$ 32,130	\$ 643	\$ 1,051	\$ 51,162	\$ 12,829
Receipts:							
Taxes	-	-	646	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	9,503	-
Charges for services	-	-	14,310	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	1,246
Utility fees	-	-	-	-	-	-	-
Other receipts	35,858	32,906	-	1,450	75	-	-
Total receipts	<u>35,858</u>	<u>32,906</u>	<u>14,956</u>	<u>1,450</u>	<u>75</u>	<u>9,503</u>	<u>1,246</u>
Disbursements:							
Personal services	36,908	33,287	300	-	-	-	-
Supplies	-	-	2,608	400	-	-	-
Other services and charges	-	-	20,937	520	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	80	-	60,665	20
Total disbursements	<u>36,908</u>	<u>33,287</u>	<u>23,845</u>	<u>1,000</u>	<u>-</u>	<u>60,665</u>	<u>20</u>
Excess (deficiency) of receipts over disbursements	<u>(1,050)</u>	<u>(381)</u>	<u>(8,889)</u>	<u>450</u>	<u>75</u>	<u>(51,162)</u>	<u>1,226</u>
Cash and investments - ending	<u>\$ 61,448</u>	<u>\$ 53,723</u>	<u>\$ 23,241</u>	<u>\$ 1,093</u>	<u>\$ 1,126</u>	<u>\$ -</u>	<u>\$ 14,055</u>

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

	Union City Court	Payroll - American Fidelity	Levy Excess	Payroll - Transfer Funds	Housing Rehabilitation Grant	Harry Loy Jr. Donations	Ambulance Nonreverting
Cash and investments - beginning	\$ 14,353	\$ -	\$ -	\$ -	\$ -	\$ 10,619	\$ 121,294
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	10,558	-	-
Charges for services	-	-	-	-	-	-	231,097
Fines and forfeits	34,244	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	2,953	11,859	167	-	-	14,312
Total receipts	<u>34,244</u>	<u>2,953</u>	<u>11,859</u>	<u>167</u>	<u>10,558</u>	<u>-</u>	<u>245,409</u>
Disbursements:							
Personal services	-	-	-	-	-	-	97,749
Supplies	-	-	-	-	-	-	38,740
Other services and charges	-	-	-	-	-	-	81,410
Capital outlay	-	-	-	-	10,558	-	75,349
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	22,263	3,100	-	167	-	-	-
Total disbursements	<u>22,263</u>	<u>3,100</u>	<u>-</u>	<u>167</u>	<u>10,558</u>	<u>-</u>	<u>293,248</u>
Excess (deficiency) of receipts over disbursements	<u>11,981</u>	<u>(147)</u>	<u>11,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(47,839)</u>
Cash and investments - ending	<u>\$ 26,334</u>	<u>\$ (147)</u>	<u>\$ 11,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,619</u>	<u>\$ 73,455</u>

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

	CEDIT	Utilities	Revolving Loan	Operation Pullover	NSP Grant	Police Donations	Cemetery Nonreverting
Cash and investments - beginning	\$ 720,600	\$ 39,456	\$ 153,885	\$ -	\$ 49,800	\$ 641	\$ 146,672
Receipts:							
Taxes	-	9,563	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	183,048	695	-	4,648	94,929	-	-
Charges for services	-	173,184	-	-	-	-	6,400
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,452	-	77	-	-	2,925	-
Total receipts	<u>184,500</u>	<u>183,442</u>	<u>77</u>	<u>4,648</u>	<u>94,929</u>	<u>2,925</u>	<u>6,400</u>
Disbursements:							
Personal services	-	-	-	4,679	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	698	203,270	-	-	-	3,472	-
Capital outlay	174,482	-	-	-	-	-	50
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	151	-	-	-	43,530	-	-
Total disbursements	<u>175,331</u>	<u>203,270</u>	<u>-</u>	<u>4,679</u>	<u>43,530</u>	<u>3,472</u>	<u>50</u>
Excess (deficiency) of receipts over disbursements	<u>9,169</u>	<u>(19,828)</u>	<u>77</u>	<u>(31)</u>	<u>51,399</u>	<u>(547)</u>	<u>6,350</u>
Cash and investments - ending	<u>\$ 729,769</u>	<u>\$ 19,628</u>	<u>\$ 153,962</u>	<u>\$ (31)</u>	<u>\$ 101,199</u>	<u>\$ 94</u>	<u>\$ 153,022</u>

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

	Payroll - Net Payroll	Payroll - Deferred Compensation	Payroll - Prepaid Legal	Payroll - PERF	Payroll - Federal Tax	Payroll - State Tax
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 3,909	\$ -	\$ 3,665
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	945,983	1,690	1,664	15,468	115,836	43,478
Total receipts	<u>945,983</u>	<u>1,690</u>	<u>1,664</u>	<u>15,468</u>	<u>115,836</u>	<u>43,478</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	945,983	1,690	1,664	19,377	115,836	43,511
Total disbursements	<u>945,983</u>	<u>1,690</u>	<u>1,664</u>	<u>19,377</u>	<u>115,836</u>	<u>43,511</u>
Excess (deficiency) of receipts over disbursements	-	-	-	(3,909)	-	(33)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,632</u>

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

	Payroll - Social Security	Payroll - CAGIT	Payroll - Police/Fire Insurance Association	Payroll - Health Insurance	Payroll - Dental and Vision	Payroll - Colonial Insurance
Cash and investments - beginning	\$ -	\$ 1,410	\$ -	\$ 90	\$ 75	\$ 16
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	66,430	16,715	5,978	44,669	12,252	112
Total receipts	<u>66,430</u>	<u>16,715</u>	<u>5,978</u>	<u>44,669</u>	<u>12,252</u>	<u>112</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	66,430	16,772	5,978	44,759	12,327	128
Total disbursements	<u>66,430</u>	<u>16,772</u>	<u>5,978</u>	<u>44,759</u>	<u>12,327</u>	<u>128</u>
Excess (deficiency) of receipts over disbursements	-	(57)	-	(90)	(75)	(16)
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,353</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Payroll - American Life	Payroll - Medicare	Payroll - Miscellaneous	Payroll - Police Pension 1977	Payroll - Fire Pension 1977	Sewage Operating
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 3,623	\$ 3,879	\$ 106,047
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	797,723
Other receipts	252	34,024	20,323	15,276	15,227	141
Total receipts	<u>252</u>	<u>34,024</u>	<u>20,323</u>	<u>15,276</u>	<u>15,227</u>	<u>797,864</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	375,431
Other disbursements	252	34,024	20,323	19,039	19,106	471,439
Total disbursements	<u>252</u>	<u>34,024</u>	<u>20,323</u>	<u>19,039</u>	<u>19,106</u>	<u>846,870</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,763)</u>	<u>(3,879)</u>	<u>(49,006)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (140)</u>	<u>\$ -</u>	<u>\$ 57,041</u>

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

	Sewage Bond and Interest	Sewage Depreciation	Sewage BoNY Debt Reserve	Sewage BoNY Bond and Interest	Water Tower Project	Wattower Replacement
Cash and investments - beginning	\$ 2,160	\$ 636,169	\$ 266,359	\$ 6,269	\$ 39,082	\$ 302,926
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	176,033	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	62,400
Other receipts	-	95,640	-	253,800	-	130,679
Total receipts	<u>-</u>	<u>95,640</u>	<u>-</u>	<u>253,800</u>	<u>176,033</u>	<u>193,079</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Capital outlay	-	17,110	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,350	-	-	124,446	215,115	222,428
Total disbursements	<u>1,350</u>	<u>17,110</u>	<u>-</u>	<u>124,446</u>	<u>215,115</u>	<u>222,428</u>
Excess (deficiency) of receipts over disbursements	<u>(1,350)</u>	<u>78,530</u>	<u>-</u>	<u>129,354</u>	<u>(39,082)</u>	<u>(29,349)</u>
Cash and investments - ending	<u>\$ 810</u>	<u>\$ 714,699</u>	<u>\$ 266,359</u>	<u>\$ 135,623</u>	<u>\$ -</u>	<u>\$ 273,577</u>

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

	Water BoNY Bond and Interest	Water Operating	Water Depreciation	Water Meter	Water BoNY Debt Reserve	Totals
Cash and investments - beginning	\$ 948	\$ 89,971	\$ 206,549	\$ 74,189	\$ 9,994	\$ 4,663,180
Receipts:						
Taxes	-	-	-	-	-	1,434,869
Licenses and permits	-	-	-	-	-	1,391
Intergovernmental	-	-	-	-	-	1,201,551
Charges for services	-	-	-	-	-	430,801
Fines and forfeits	-	-	-	-	-	39,493
Utility fees	-	654,246	-	-	-	1,514,369
Other receipts	20,400	8,746	70,305	24,100	4,116	2,220,808
Total receipts	<u>20,400</u>	<u>662,992</u>	<u>70,305</u>	<u>24,100</u>	<u>4,116</u>	<u>6,843,282</u>
Disbursements:						
Personal services	-	-	-	-	-	1,209,887
Supplies	-	-	-	-	-	180,661
Other services and charges	-	-	-	-	-	975,027
Capital outlay	-	-	-	-	-	529,062
Utility operating expenses	-	324,912	-	-	-	700,343
Other disbursements	4,263	348,898	-	18,291	-	2,903,455
Total disbursements	<u>4,263</u>	<u>673,810</u>	<u>-</u>	<u>18,291</u>	<u>-</u>	<u>6,498,435</u>
Excess (deficiency) of receipts over disbursements	<u>16,137</u>	<u>(10,818)</u>	<u>70,305</u>	<u>5,809</u>	<u>4,116</u>	<u>344,847</u>
Cash and investments - ending	<u>\$ 17,085</u>	<u>\$ 79,153</u>	<u>\$ 276,854</u>	<u>\$ 79,998</u>	<u>\$ 14,110</u>	<u>\$ 5,008,027</u>

CITY OF UNION CITY
SCHEDULE OF RECEIVABLES
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Receivable</u>
Wastewater	\$ 4,385
Water	2,384
Governmental activities	<u>1,110</u>
Total	<u>\$ 7,879</u>

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Crossroads Bank	2008 Ambulance	\$ 21,088	04-01-11	11-01-15
First Capital Equipment Leasing Corp.	Two 2012 Police Cars	<u>9,327</u>	08-14-12	05-14-15
Total of annual lease payments		<u>\$ 30,415</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater:			
Revenue bonds	2006 Collection System Repair	\$ 1,662,000	\$ 49,324
Revenue bonds	2011 Wastewater Improvements	<u>1,085,000</u>	<u>206,370</u>
Total Wastewater		<u>2,747,000</u>	<u>255,694</u>
Water:			
Revenue bonds	2009 Water Filter Replacement	<u>253,000</u>	<u>20,155</u>
Totals		<u>\$ 3,000,000</u>	<u>\$ 275,849</u>

CITY OF UNION 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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 1,179,262
Infrastructure	1,544,795
Buildings	2,080,269
Improvements other than buildings	955,212
Machinery, equipment, and vehicles	<u>2,238,806</u>
 Total governmental activities	 <u>7,998,344</u>
Wastewater:	
Land	60,335
Buildings	879,164
Improvements other than buildings	12,376,147
Machinery, equipment, and vehicles	685,985
Construction in progress	<u>34,511</u>
 Total Wastewater	 <u>14,036,142</u>
Water:	
Land	132,712
Infrastructure	892,661
Buildings	678,446
Improvements other than buildings	2,142,831
Machinery, equipment, and vehicles	<u>1,781,005</u>
 Total Water	 <u>5,627,655</u>
 Total capital assets	 <u>\$ 27,662,141</u>

CITY OF UNION CITY
OTHER REPORT

The report presented herein was prepared in addition to the another official report prepared for the individual City office listed below:

City Court

CITY OF UNION CITY
EXIT CONFERENCE

The contents of this report were discussed on June 26, 2013, with Anita M. Amspaugh, Clerk-Treasurer; Bryan K. Conklin, Mayor; Monte G. Poling, City Manager; and Timothy L. Heuss, President of the Common Council. Our examination disclosed no material items that warrant comment at this time.