

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF COLUMBIA CITY

WHITLEY COUNTY, INDIANA

January 1, 2013 to December 31, 2014



FILED
03/17/2016

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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 12-31-19
Mayor	Ryan L. Daniel	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	Ryan L. Daniel	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Daniel L. Weigold	01-01-13 to 12-31-15
Superintendent of Water Utility	Michael D. Dear Michael J. Shoda	01-01-13 to 04-06-14 04-07-14 to 12-31-15
Superintendent of Wastewater Utility	Michel C. Cook	01-01-13 to 12-31-15
Superintendent of Electric Utility	Larry G. Whetstone Shawn E. Lickey	01-01-13 to 05-31-13 06-01-13 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our examination report of the City of Columbia City (City), for the period from January 1, 2013 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statements Examination Report of the City, which provides our opinion on the City's financial statements. This report may be found at www.in.gov/sboa/.

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

Any Official Response to the Examination results and comments, incorporated within this report, was not verified for accuracy.

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

December 17, 2015

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COMMON COUNCIL
CITY OF COLUMBIA CITY

COMMON COUNCIL
CITY OF COLUMBIA CITY
EXAMINATION RESULT AND COMMENT

LOAN FROM ELECTRIC UTILITY

A loan of \$450,000 was made on October 15, 2014, from the Electric Utility to the Storm Water Utility. The loan was to be repaid in full including interest at 1 percent by October 1, 2021. This repayment date exceeds the five year limitation on loans between utilities owned by the same municipality. Subsequent to the examination period on October 27, 2015, the Common Council passed Ordinance Number 2015-30, amending the period of repayment from seven years to five years.

Indiana Code 8-1.5-3-11(f) states: "A cash reserve fund, if authorized by ordinance, may be used to make loans to another utility owned by the same municipality, for periods not to exceed five (5) years, at any interest rate. The repayment of the loan and interest shall be returned to the cash reserve fund."

COMMON COUNCIL
CITY OF COLUMBIA CITY
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2015, with Ryan L. Daniel, Mayor, and Daniel L. Weigold, President Pro Tempore of the Common Council.

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CLERK-TREASURER
CITY OF COLUMBIA CITY

CLERK-TREASURER
CITY OF COLUMBIA CITY
EXAMINATION RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The financial statements presented in the Financial Statement Examination Report included the following funds with overdrawn cash balances as follows:

Fund	Amount Overdrawn 12-31-13	Amount Overdrawn 12-31-14
General	\$ -	\$ 11,951
Park and Recreation Non Reverting	-	15,503
Enhanced 911	-	1,263
Park and Recreation Tax	-	11,846
Water Pollution Control Operating	231,251	266,301

A similar comment appeared in prior Report B42290.

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)

CLERK-TREASURER
CITY OF COLUMBIA CITY
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2015, with Rosie M. Coyle, Clerk-Treasurer; Ryan L. Daniel, Mayor; and Daniel L. Weigold, President Pro Tempore of the Common Council.