

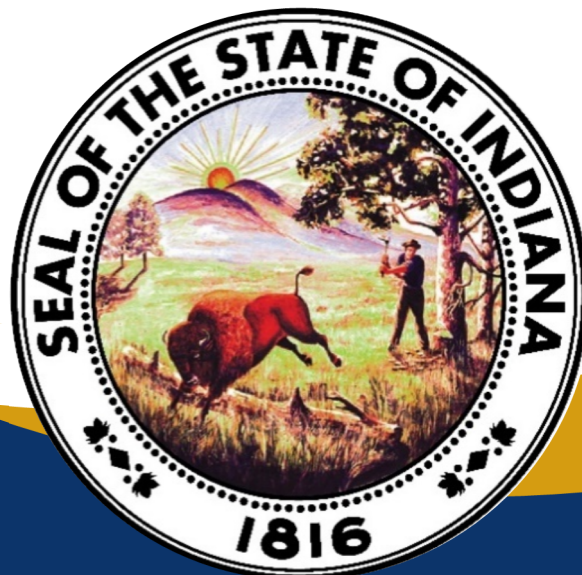
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

FINANCIAL STATEMENT AND
SINGLE AUDIT REPORT
OF

CITY OF UNION CITY
RANDOLPH COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED

02/27/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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February 27, 2025

To: The Officials of the City of Union City
City of Union City
Randolph County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the City of Union City. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of the City of Union City as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report on pages 38 through 39. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 40.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report for the City of Union City was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

CITY OF UNION CITY
Randolph County, Indiana

FINANCIAL STATEMENT

As of December 31, 2023, and for the
period of January 1, 2022 through December 31, 2023

CITY OF UNION CITY
Randolph County, Indiana

FINANCIAL STATEMENT
As of December 31, 2023, and for the
period of January 1, 2022 through December 31, 2023

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CITY OF UNION CITY
SCHEDULE OF OFFICIALS (Unaudited)
As of December 31, 2023 and for the
period of January 1, 2022 through December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Chad E. Spence	01-01-22 to 12-31-23
President of the Board of Public Works and Safety	Timothy L. Heuss	01-01-22 to 12-31-23
President Pro Tempore of The Common Council	Brandon Elmore	01-01-22 to 12-31-23
Clerk-Treasurer	Jeanette I. Walters	01-01-22 to 12-31-23
City Manager	Steve Shoemaker	01-01-22 to 12-31-23
City Court Judge	Honorable Linda D. Wilcox	01-01-22 to 12-31-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
City of Union City
Randolph County, Indiana

Opinions

We have audited the accompanying statement of receipts, disbursements, and cash and investment balances of the City of Union City (the "City") as of December 31, 2023, and for the period of January 1, 2022 through December 31, 2023, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the City as of December 31, 2023, and its cash receipts and cash disbursements for the period of January 1, 2022 through December 31, 2023, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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 section of our report, 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 of the City as of December 31, 2023, or changes in net position for the period of January 1, 2022 through December 31, 2023.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). For the year ended December 31, 2023, we also conducted our audit in accordance with the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to 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 and pervasive.

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the 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) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, 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 award is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, Schedule of Capital Assets, and State Reporting Information, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the year ended December 31, 2023. The purpose of that report is solely 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 effectiveness of the City's 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


Crowe LLP

Indianapolis, Indiana
September 24, 2024

CITY OF UNION CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
As of December 31, 2023 and for the period January 1, 2022 through December 31, 2023

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-22	Receipts	Disbursements	12-31-22	Receipts	Disbursements	12-31-23
GENERAL FUND	\$ 1,680,001	\$ 3,013,125	\$ 2,274,825	\$ 2,418,301	\$ 3,523,241	\$ 3,318,049	\$ 2,623,493
MVH	211,971	368,414	469,844	110,541	540,989	527,263	124,267
LOCAL ROAD & STREET	110,442	23,529	23,094	110,877	24,428	6,000	129,305
MVH RESTRICTED	-	74,259	74,259	-	67,929	61,542	6,387
AMBULANCE-NON REVERTING	50,638	229,793	208,707	71,724	261,320	179,303	153,741
ANIMAL SHELTER/REGIST	349	-	16	333	-	-	333
LECEF	3,288	968	-	4,256	1,104	2,300	3,060
CLERK'S RECORD PERP.	12,939	1,893	6,621	8,211	2,732	1,871	9,072
PARK & RECREATION	105,994	63,425	143,777	25,642	156,128	174,923	6,847
RAINY DAY FUND	188,012	7,219	69,540	125,691	11,014	51,744	84,961
CEDIT	275,698	273,631	344,138	205,191	350,906	403,340	152,757
OPIOID SETTLEMENT RESTRICTED	-	17,562	-	17,562	4,867	17,500	4,929
OPIOID SETTLEMENT UNRESTRICTED	-	7,526	-	7,526	1,347	7,500	1,373
CCI	54,979	6,269	-	61,248	6,270	4,638	62,880
CCD	37,251	16,348	15,760	37,839	17,966	15,760	40,045
PARK NON REVERTING	34,090	24,000	30,331	27,759	18,055	21,824	23,990
RIVERBOAT FUND	80,972	18,856	7,393	92,435	19,423	-	111,858
POLICE PENSION	33,035	20,888	22,535	31,388	21,532	24,435	28,485
FIREMEN'S PENSION	70,140	25,182	27,001	68,321	26,090	29,197	65,214
UNION CITY COURT	7,561	64,336	67,934	3,963	100,245	87,946	16,262
LOIT PUBLIC SAFETY	56,322	231,864	202,848	85,338	260,846	223,418	122,766
CEMETERY	78,910	56,058	37,691	97,277	58,109	40,966	114,420
LOCAL ROAD AND BRIDGE MATCHING GRANT FUND	228,264	58,058	258,732	27,590	311,538	150,372	188,756
STORMWATER GRANT FUND	44,795	-	44,795	-	-	-	-
BROWNFIELD GRANT FUND	-	74,023	74,743	(720)	720	22,832	(22,832)
ARP Fund	298,329	391,269	521,806	167,792	-	165,665	2,127
BLIGHT GRANT FUND	-	4,880	4,880	-	467,788	464,011	3,777

(Continued)

CITY OF UNION CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
As of December 31, 2023 and for the period January 1, 2022 through December 31, 2023

<u>Fund</u>	Cash and			Cash and			Cash and
	<u>Investments</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Investments</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Investments</u>
	<u>01-01-22</u>			<u>12-31-22</u>			<u>12-31-23</u>
LIFE & RESCUE ASSOCIATION	1,181	2,256	2,833	604	1,000	411	1,193
ARTISAN PARK - NON REVERT	2,122	-	1,084	1,038	-	178	860
POLICE DONATIONS	606	4,290	4,893	3	15,185	9,184	6,004
FITNESS CENTER	27	-	1	26	-	-	26
RENTAL REGISTRATION AND INSPECTION FUND	1,216	15	-	1,231	20	-	1,251
EMT TRAINING & FACILITIES	877	-	450	427	-	51	376
SCHOOL RESOURCE OFFICER FUND	(1,506)	7,600	5,752	342	-	-	342
VISION CORNER FUND	207,920	249,944	732,350	(274,486)	440,000	2,259,220	(2,093,706)
PATRONICITY FUND	1,092	-	-	1,092	-	-	1,092
HOUSING REHABILITATION FUND	444	120,750	121,135	59	23,600	23,587	72
GOV GRAY HOUSING DEVELOPMENT	-	350,000	336,604	13,396	-	13,396	-
EFT DONATION FUND	-	-	-	-	1	-	1
INDUSTRIAL PARK TIF	-	20,224	-	20,224	28,609	-	48,833
STORM WATER UTILITY OPERATING	53,693	59,736	84,969	28,460	58,941	68,978	18,423
UTILITIES	102,282	272,728	260,156	114,854	278,671	241,505	152,020
CEMETERY NON REVERTING	136,301	5,800	6,265	135,836	6,400	-	142,236
CITY COURT CASH FUND	14,418	4,989	4,526	14,881	5,753	5,905	14,729
PAYROLL - NET PAYROLL	-	1,332,532	1,332,532	-	1,511,603	1,511,603	-
PAYROLL - FEDERAL W/H	-	136,697	136,697	-	154,497	154,497	-
PAYROLL - SOCIAL SECURITY	-	125,930	125,930	-	140,065	140,065	-
PAYROLL - STATE W/H	5,119	57,949	58,247	4,821	63,963	63,731	5,053
PAYROLL - CAGIT W/H	3,418	46,811	46,227	4,002	52,570	52,456	4,116
PAYROLL - HEALTH INS.	-	32,805	30,045	2,760	36,150	38,910	-
PAYROLL - P&F INS ASSN	-	1,916	1,769	147	978	1,125	-
PAYROLL - DENTAL & VISION	-	10,211	9,476	735	11,265	12,000	-
PAYROLL - POLICE PEN '77	-	18,299	18,299	-	20,435	19,694	741
PAYROLL - AMERICAN FIDELI	3,679	29,823	27,966	5,536	19,786	21,870	3,452

(Continued)

CITY OF UNION CITY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
As of December 31, 2023 and for the period January 1, 2022 through December 31, 2023

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-22	Receipts	Disbursements	12-31-22	Receipts	Disbursements	12-31-23
PAYROLL - FIRE PEN '77	-	16,792	16,792	-	20,256	19,296	960
PAYROLL - P E R F	-	22,364	22,364	-	30,798	29,466	1,332
PAYROLL - MISCELLANEOUS	-	1,123	1,123	-	10,257	10,257	-
PAYROLL - MEDICARE	-	48,565	48,565	-	55,509	55,509	-
PAYROLL - DEFERRED COMP.	-	5,535	5,535	-	9,090	9,090	-
PAYROLL - PRE-PAID LEGAL	2	783	721	64	766	830	-
PAYROLL - TRANSFER FUNDS	8	-	8	-	-	-	-
PAYROLL - AFLAC	-	-	-	-	25,942	25,991	(49)
SEWAGE - OPERATING FUND	117,523	1,315,402	1,312,005	120,920	1,369,705	1,365,927	124,698
SEWAGE-CSB BOND & INT	163,917	268,125	297,417	134,625	267,367	267,361	134,631
SEWAGE - DEPRECIATION	1,576,431	114,000	-	1,690,431	90,000	80,498	1,699,933
WASTEWATER CONSTRUCTION FUND	-	117,628	117,627	1	273,654	273,653	2
SEWAGE- CSB DEBT RES	190,242	26,710	-	216,952	26,711	-	243,663
WATER - OPERATING FUND	91,321	896,962	891,557	96,726	1,009,884	978,250	128,360
WATER-BoNY BOND & INT	25,328	20,627	19,364	26,591	21,266	19,842	28,015
WATER - DEPRECIATION	303,968	34,000	28,900	309,068	90,000	121,933	277,135
WATER - METER FUND	127,102	20,616	19,274	128,444	22,500	17,490	133,454
WATER-BoNY DEBT RESERVE	24,559	272	-	24,831	1,203	-	26,034
WATER - WATERTOWER REPLCM	184,541	13,875	-	198,416	5,550	-	203,966
RDA	-	1,207,498	930,476	277,022	11,818	178,283	110,557
Totals	<u>\$ 7,001,811</u>	<u>\$ 12,095,557</u>	<u>\$ 11,991,204</u>	<u>\$ 7,106,164</u>	<u>\$ 12,466,355</u>	<u>\$ 14,094,441</u>	<u>\$ 5,478,078</u>

See accompanying notes to financial statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City was established under the laws of the State of Indiana. The City operates under a City Council 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.

Basis of Accounting: The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred. The basis of accounting also requires presentation of certain information as Other Information.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received including 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. Amounts received from businesses, occupations, or non-businesses 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts. Amounts received 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, 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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fines and forfeits. Amounts received 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. Amounts received from charges for current services.

Other receipts. 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.

Disbursements: Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services. Amounts disbursed 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. Amounts disbursed for 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. Amounts disbursed for services including, 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. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Unit. It includes all expenditures for the reduction of the principal and interest of the Unit general obligation indebtedness as well as lease agreements.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various purposes including, but 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.

Interfund Transfers: The City may, from time to time, make transfers 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.

Fund Accounting: Separate funds are established, maintained, and reported by the City. Each fund is used to account for amounts 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 Unit. The amounts 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 City itself.

(Continued)

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 December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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 (PDIF). 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, the following: 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 Unit 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.

The City has purchased insurance to address the risks described above.

NOTE 6 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by December 31, 2022, and 2023. The deficits in the Vision Corner Fund and the Payroll – Aflac fund are the results of disbursements exceeding receipts due to under-estimating current requirements for those funds. These deficits will be repaid from future receipts.

NOTE 7 - REDEVELOPMENT AUTHORITY

The Redevelopment Commission of the City has entered into a capital lease with the Redevelopment Authority (the lessor). The lessor was organized as a separate body corporate and politic and as an instrumentality of the City pursuant to state statute for the purpose of financing, constructing, and leasing local public improvements to the Redevelopment Commission of the City. The lessor has been determined to be a related-party of the City. There were no lease payments made during the audit period. Lease payments begin in 2026.

NOTE 8 - RELATED PARTY TRANSACTIONS

For the audit period of January 1, 2022 through December 31, 2023, the City paid a company that is owned by one of the City Council members for lumber materials and building supplies. Payments for audit period totaled \$315,909.

NOTE 9 - PENSION PLANS

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 Commission to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Commission ability to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

NOTE 9 - PENSION PLANS (Continued)

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

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

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.

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.

(Continued)

NOTE 9 - PENSION PLANS (Continued)

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.

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, providing retirement, disability, and survivor benefits.

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.

Financial Report

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
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

OTHER INFORMATION (Unaudited)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	GENERAL FUND	MVH	LOCAL ROAD & STREET	MVH RESTRICTED	AMBULANCE-NON REVERTING	ANIMAL SHELTER/REGIST	LECEF	CLERK'S RECORD PERP.	PARK & RECREATION	RAINY DAY FUND	CEDIT	OPIOID SETTLEMENT RESTRICTED
Cash and investments - beginning	\$ 1,680,001	\$ 211,971	\$ 110,442	\$ -	\$ 50,638	\$ 349	\$ 3,288	\$ 12,939	\$ 105,994	\$ 188,012	\$ 275,698	\$ -
Receipts:												
Taxes	1,157,906	227,295	-	-	-	-	-	-	49,906	-	-	-
Licenses and permits	21,969	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	1,514,222	135,118	23,529	74,259	-	-	-	-	4,565	-	273,614	17,562
Charges for services	5,140	2,402	-	-	228,551	-	504	-	8,652	-	-	-
Fines and forfeits	14,235	-	-	-	-	-	464	1,893	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	299,653	3,599	-	-	1,242	-	-	-	302	7,219	17	-
Total receipts	3,013,125	368,414	23,529	74,259	229,793	-	968	1,893	63,425	7,219	273,631	17,562
Disbursements:												
Personal services	1,459,632	249,139	-	-	75,693	-	-	-	45,757	-	-	-
Supplies	74,952	85,251	-	-	67,291	-	-	6,621	23,450	-	-	-
Other services and charges	343,813	87,470	-	-	46,979	-	-	-	58,392	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	334,139	47,984	-	74,259	17,094	-	-	-	3,983	-	14,500	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	62,289	-	23,094	-	1,650	16	-	-	12,195	69,540	329,638	-
Total disbursements	2,274,825	469,844	23,094	74,259	208,707	16	-	6,621	143,777	69,540	344,138	-
Excess (deficiency) of receipts over disbursements	738,300	(101,430)	435	-	21,086	(16)	968	(4,728)	(80,352)	(62,321)	(70,507)	17,562
Cash and investments - ending	\$ 2,418,301	\$ 110,541	\$ 110,877	\$ -	\$ 71,724	\$ 333	\$ 4,256	\$ 8,211	\$ 25,642	\$ 125,691	\$ 205,191	\$ 17,562

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	OPIOID SETTLEMENT UNRESTRICTED	CCI	CCD	PARK NON REVERTING	RIVERBOAT FUND	POLICE PENSION	FIREMEN'S PENSION	UNION CITY COURT	LOIT PUBLIC SAFETY	CEMETERY	LOCAL ROAD AND BRIDGE MATCHING GRANT FUND	STORMWATER GRANT FUND
Cash and investments - beginning	\$ -	\$ 54,979	\$ 37,251	\$ 34,090	\$ 80,972	\$ 33,035	\$ 70,140	\$ 7,561	\$ 56,322	\$ 78,910	\$ 228,264	\$ 44,795
Receipts:												
Taxes	-	-	14,978	-	-	-	-	-	-	29,646	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	7,526	6,269	1,370	-	18,856	-	-	-	231,430	2,712	-	-
Charges for services	-	-	-	19,500	-	-	-	-	-	23,700	-	-
Fines and forfeits	-	-	-	-	-	-	-	64,336	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	4,500	-	20,888	25,182	-	434	-	58,058	-
Total receipts	7,526	6,269	16,348	24,000	18,856	20,888	25,182	64,336	231,864	56,058	58,058	-
Disbursements:												
Personal services	-	-	-	-	-	1,652	1,463	-	61,173	-	-	-
Supplies	-	-	-	9,521	-	-	-	-	21,727	53	-	-
Other services and charges	-	-	-	-	-	20,883	25,538	-	32,478	36,269	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	15,760	-	-	-	-	-	68,114	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	20,810	7,393	-	-	67,934	19,356	1,369	258,732	44,795
Total disbursements	-	-	15,760	30,331	7,393	22,535	27,001	67,934	202,848	37,691	258,732	44,795
Excess (deficiency) of receipts over disbursements	7,526	6,269	588	(6,331)	11,463	(1,647)	(1,819)	(3,598)	29,016	18,367	(200,674)	(44,795)
Cash and investments - ending	\$ 7,526	\$ 61,248	\$ 37,839	\$ 27,759	\$ 92,435	\$ 31,388	\$ 68,321	\$ 3,963	\$ 85,338	\$ 97,277	\$ 27,590	\$ -

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	BROWNFIELD GRANT FUND	ARP Fund	BLIGHT GRANT FUND	LIFE & RESCUE ASSOCIATION	ARTISAN PARK - NON REVERT	POLICE DONATIONS	FITNESS CENTER	RENTAL REGISTRATION AND INSPECTION FUND	EMT TRAINING & FACILITIES	SCHOOL RESOURCE OFFICER FUND	VISION CORNER FUND	PATRONICITY FUND
Cash and investments - beginning	\$ -	\$ 298,329	\$ -	\$ 1,181	\$ 2,122	\$ 606	\$ 27	\$ 1,216	\$ 877	\$ (1,506)	\$ 207,920	\$ 1,092
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	74,023	391,269	4,880	-	-	-	-	-	-	-	249,944	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	2,256	-	4,290	-	15	-	7,600	-	-
Total receipts	74,023	391,269	4,880	2,256	-	4,290	-	15	-	7,600	249,944	-
Disbursements:												
Personal services	-	-	-	-	-	4,893	-	-	-	5,752	-	-
Supplies	-	-	-	-	-	-	-	-	450	-	-	-
Other services and charges	74,743	-	4,880	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	521,806	-	2,833	1,084	-	1	-	-	-	732,350	-
Total disbursements	74,743	521,806	4,880	2,833	1,084	4,893	1	-	450	5,752	732,350	-
Excess (deficiency) of receipts over disbursements	(720)	(130,537)	-	(577)	(1,084)	(603)	(1)	15	(450)	1,848	(482,406)	-
Cash and investments - ending	\$ (720)	\$ 167,792	\$ -	\$ 604	\$ 1,038	\$ 3	\$ 26	\$ 1,231	\$ 427	\$ 342	\$ (274,486)	\$ 1,092

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	HOUSING REHABILITATION FUND	GOV GRAY HOUSING DEVELOPMENT	INDUSTRIAL PARK TIF	STORM WATER UTILITY OPERATING	UTILITIES	CEMETERY NON REVERTING	CITY COURT CASH FUND	PAYROLL - NET PAYROLL	PAYROLL - FEDERAL W/H	PAYROLL - SOCIAL SECURITY	PAYROLL - STATE W/H	PAYROLL - CAGIT W/H
Cash and investments - beginning	\$ 444	\$ -	\$ -	\$ 53,693	\$ 102,282	\$ 136,301	\$ 14,418	\$ -	\$ -	\$ -	\$ 5,119	\$ 3,418
Receipts:												
Taxes	-	-	20,224	-	69,163	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	6,326	-	-	-	-	-	-	-
Charges for services	-	-	-	59,736	197,239	5,800	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	4,989	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	120,750	350,000	-	-	-	-	-	1,332,532	136,697	125,930	57,949	46,811
Total receipts	120,750	350,000	20,224	59,736	272,728	5,800	4,989	1,332,532	136,697	125,930	57,949	46,811
Disbursements:												
Personal services	-	-	-	-	-	-	-	1,332,532	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	84,629	260,156	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	340	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	121,135	336,604	-	-	-	6,265	4,526	-	136,697	125,930	58,247	46,227
Total disbursements	121,135	336,604	-	84,969	260,156	6,265	4,526	1,332,532	136,697	125,930	58,247	46,227
Excess (deficiency) of receipts over disbursements	(385)	13,396	20,224	(25,233)	12,572	(465)	463	-	-	-	(298)	584
Cash and investments - ending	\$ 59	\$ 13,396	\$ 20,224	\$ 28,460	\$ 114,854	\$ 135,836	\$ 14,881	\$ -	\$ -	\$ -	\$ 4,821	\$ 4,002

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	PAYROLL - HEALTH INS.	PAYROLL - P&F INS ASSN	PAYROLL - DENTAL & VISION	PAYROLL - POLICE PEN '77	PAYROLL - AMERICAN FIDELI	PAYROLL - FIRE PEN '77	PAYROLL - P E R F	PAYROLL - MISCELLANEOUS	PAYROLL - MEDICARE	PAYROLL - DEFERRED COMP.	PAYROLL - PRE-PAID LEGAL	PAYROLL - TRANSFER FUNDS	SEWAGE - OPERATING FUND
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 3,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2	\$ 8	\$ 117,523
Receipts:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	1,298,203
Other receipts	32,805	1,916	10,211	18,299	29,823	16,792	22,364	1,123	48,565	5,535	783	-	17,199
Total receipts	32,805	1,916	10,211	18,299	29,823	16,792	22,364	1,123	48,565	5,535	783	-	1,315,402
Disbursements:													
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	233,205
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	18,039
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	294,798
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	41,078
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	383,832
Other disbursements	30,045	1,769	9,476	18,299	27,966	16,792	22,364	1,123	48,565	5,535	721	8	341,053
Total disbursements	30,045	1,769	9,476	18,299	27,966	16,792	22,364	1,123	48,565	5,535	721	8	1,312,005
Excess (deficiency) of receipts over disbursements	2,760	147	735	-	1,857	-	-	-	-	-	62	(8)	3,397
Cash and investments - ending	\$ 2,760	\$ 147	\$ 735	\$ -	\$ 5,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64	\$ -	\$ 120,920

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2022

	SEWAGE-CSB BOND & INT	SEWAGE - DEPRECIATION	WASTEWATER CONSTRUCTION FUND	SEWAGE- CSB DEBT RES	WATER - OPERATING FUND	WATER-BoNY BOND & INT	WATER - DEPRECIATION	WATER - METER FUND	WATER-BoNY DEBT RESERVE	WATER - WATERTOWER REPLCM	RDA	Totals
Cash and investments - beginning	\$ 163,917	\$ 1,576,431	\$ -	\$ 190,242	\$ 91,321	\$ 25,328	\$ 303,968	\$ 127,102	\$ 24,559	\$ 184,541	\$ -	\$ 7,001,811
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	1,569,118
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	21,969
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	3,037,474
Charges for services	-	-	-	-	-	-	-	-	-	-	-	551,224
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	85,917
Utility fees	-	-	-	-	892,378	-	-	20,616	-	-	-	2,211,197
Other receipts	268,125	114,000	117,628	26,710	4,584	20,627	34,000	-	272	13,875	1,207,498	4,618,658
Total receipts	268,125	114,000	117,628	26,710	896,962	20,627	34,000	20,616	272	13,875	1,207,498	12,095,557
Disbursements:												
Personal services	-	-	-	-	196,506	-	-	-	-	-	-	3,667,397
Supplies	-	-	-	-	-	-	-	-	-	-	-	289,316
Other services and charges	-	-	-	-	15,508	-	-	-	-	-	-	1,109,777
Debt service - principal and interest	297,417	-	-	-	20,400	19,364	-	-	-	-	-	631,979
Capital outlay	-	-	117,627	-	109,018	-	28,900	-	-	-	930,476	1,803,272
Utility operating expenses	-	-	-	-	352,754	-	-	15,000	-	-	-	751,586
Other disbursements	-	-	-	-	197,371	-	-	4,274	-	-	-	3,737,877
Total disbursements	297,417	-	117,627	-	891,557	19,364	28,900	19,274	-	-	930,476	11,991,204
Excess (deficiency) of receipts over disbursements	(29,292)	114,000	1	26,710	5,405	1,263	5,100	1,342	272	13,875	277,022	104,353
Cash and investments - ending	\$ 134,625	\$ 1,690,431	\$ 1	\$ 216,952	\$ 96,726	\$ 26,591	\$ 309,068	\$ 128,444	\$ 24,831	\$ 198,416	\$ 277,022	\$ 7,106,164

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	GENERAL FUND	MVH	LOCAL ROAD & STREET	MVH RESTRICTED	AMBULANCE-NON REVERTING	ANIMAL SHELTER/REGIST	LECEF	CLERK'S RECORD PERP.	PARK & RECREATION	RAINY DAY FUND	CEDIT	OPIOID SETTLEMENT RESTRICTED
Cash and investments - beginning	\$ 2,418,301	\$ 110,541	\$ 110,877	\$ -	\$ 71,724	\$ 333	\$ 4,256	\$ 8,211	\$ 25,642	\$ 125,691	\$ 205,191	\$ 17,562
Receipts:												
Taxes	1,077,985	258,579	-	-	-	-	-	-	147,765	-	-	-
Licenses and permits	20,963	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	1,554,911	269,890	24,428	67,929	-	-	-	-	6,013	-	350,895	4,867
Charges for services	6,675	3,952	-	-	257,786	-	545	-	2,350	-	-	-
Fines and forfeits	20,808	-	-	-	-	-	559	2,732	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	841,899	8,568	-	-	3,534	-	-	-	-	11,014	11	-
Total receipts	<u>3,523,241</u>	<u>540,989</u>	<u>24,428</u>	<u>67,929</u>	<u>261,320</u>	<u>-</u>	<u>1,104</u>	<u>2,732</u>	<u>156,128</u>	<u>11,014</u>	<u>350,906</u>	<u>4,867</u>
Disbursements:												
Personal services	1,805,506	256,649	-	-	61,417	-	-	-	47,558	-	-	-
Supplies	92,292	98,810	-	-	55,470	-	-	1,871	27,153	-	-	-
Other services and charges	407,916	106,508	-	-	48,675	-	500	-	61,856	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	929,216	64,296	-	61,542	13,741	-	1,800	-	12,447	-	2,700	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	83,119	1,000	6,000	-	-	-	-	-	25,909	51,744	400,640	17,500
Total disbursements	<u>3,318,049</u>	<u>527,263</u>	<u>6,000</u>	<u>61,542</u>	<u>179,303</u>	<u>-</u>	<u>2,300</u>	<u>1,871</u>	<u>174,923</u>	<u>51,744</u>	<u>403,340</u>	<u>17,500</u>
Excess (deficiency) of receipts over disbursements	<u>205,192</u>	<u>13,726</u>	<u>18,428</u>	<u>6,387</u>	<u>82,017</u>	<u>-</u>	<u>(1,196)</u>	<u>861</u>	<u>(18,795)</u>	<u>(40,730)</u>	<u>(52,434)</u>	<u>(12,633)</u>
Cash and investments - ending	\$ 2,623,493	\$ 124,267	\$ 129,305	\$ 6,387	\$ 153,741	\$ 333	\$ 3,060	\$ 9,072	\$ 6,847	\$ 84,961	\$ 152,757	\$ 4,929

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	OPIOID SETTLEMENT UNRESTRICTED	CCI	CCD	PARK NON REVERTING	RIVERBOAT FUND	POLICE PENSION	FIREMEN'S PENSION	UNION CITY COURT	LOIT PUBLIC SAFETY	CEMETERY	LOCAL ROAD AND BRIDGE MATCHING GRANT FUND	STORMWATER GRANT FUND
Cash and investments - beginning	\$ 7,526	\$ 61,248	\$ 37,839	\$ 27,759	\$ 92,435	\$ 31,388	\$ 68,321	\$ 3,963	\$ 85,338	\$ 97,277	\$ 27,590	\$ -
Receipts:												
Taxes	-	-	16,636	-	-	-	-	-	-	31,010	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	1,347	6,270	1,330	-	19,423	-	-	-	260,237	2,479	-	-
Charges for services	-	-	-	16,328	-	-	-	-	-	24,600	-	-
Fines and forfeits	-	-	-	-	-	-	-	100,245	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,727	-	21,532	26,090	-	609	20	311,538	-
Total receipts	1,347	6,270	17,966	18,055	19,423	21,532	26,090	100,245	260,846	58,109	311,538	-
Disbursements:												
Personal services	-	-	-	-	-	1,495	3,133	-	80,425	-	-	-
Supplies	-	-	-	8,762	-	-	-	-	7,458	1,395	-	-
Other services and charges	-	4,638	-	-	-	22,940	26,064	-	31,480	35,944	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	15,760	-	-	-	-	-	81,905	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	7,500	-	-	13,062	-	-	-	87,946	22,150	3,627	150,372	-
Total disbursements	7,500	4,638	15,760	21,824	-	24,435	29,197	87,946	223,418	40,966	150,372	-
Excess (deficiency) of receipts over disbursements	(6,153)	1,632	2,206	(3,769)	19,423	(2,903)	(3,107)	12,299	37,428	17,143	161,166	-
Cash and investments - ending	\$ 1,373	\$ 62,880	\$ 40,045	\$ 23,990	\$ 111,858	\$ 28,485	\$ 65,214	\$ 16,262	\$ 122,766	\$ 114,420	\$ 188,756	\$ -

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	BROWNFIELD GRANT FUND	ARP Fund	BLIGHT GRANT FUND	LIFE & RESCUE ASSOCIATION	ARTISAN PARK - NON REVERT	POLICE DONATIONS	FITNESS CENTER	RENTAL REGISTRATION AND INSPECTION FUND	EMT TRAINING & FACILITIES	SCHOOL RESOURCE OFFICER FUND	VISION CORNER FUND	PATRONICITY FUND	HOUSING REHABILITATION FUND
Cash and investments - beginning	\$ (720)	\$ 167,792	\$ -	\$ 604	\$ 1,038	\$ 3	\$ 26	\$ 1,231	\$ 427	\$ 342	\$ (274,486)	\$ 1,092	\$ 59
Receipts:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	720	-	467,788	-	-	-	-	-	-	-	440,000	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	1,000	-	15,185	-	20	-	-	-	-	23,600
Total receipts	720	-	467,788	1,000	-	15,185	-	20	-	-	440,000	-	23,600
Disbursements:													
Personal services	-	-	-	-	-	9,184	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	51	-	-	-	-
Other services and charges	22,832	-	464,011	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	165,665	-	411	178	-	-	-	-	-	2,259,220	-	23,587
Total disbursements	22,832	165,665	464,011	411	178	9,184	-	-	51	-	2,259,220	-	23,587
Excess (deficiency) of receipts over disbursements	(22,112)	(165,665)	3,777	589	(178)	6,001	-	20	(51)	-	(1,819,220)	-	13
Cash and investments - ending	\$ (22,832)	\$ 2,127	\$ 3,777	\$ 1,193	\$ 860	\$ 6,004	\$ 26	\$ 1,251	\$ 376	\$ 342	\$ (2,093,706)	\$ 1,092	\$ 72

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	GOV GRAY HOUSING DEVELOPMENT	EFT DONATION FUND	INDUSTRIAL PARK TIF	STORM WATER UTILITY OPERATING	UTILITIES	CEMETERY NON REVERTING	CITY COURT CASH FUND	PAYROLL - NET PAYROLL	PAYROLL - FEDERAL W/H	PAYROLL - SOCIAL SECURITY	PAYROLL - STATE W/H	PAYROLL - CAGIT W/H	PAYROLL - HEALTH INS.
Cash and investments - beginning	\$ 13,396	\$ -	\$ 20,224	\$ 28,460	\$ 114,854	\$ 135,836	\$ 14,881	\$ -	\$ -	\$ -	\$ 4,821	\$ 4,002	\$ 2,760
Receipts:													
Taxes	-	-	28,609	-	72,407	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	5,788	-	-	-	-	-	-	-	-
Charges for services	-	-	-	58,941	200,476	6,400	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	5,753	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	1	-	-	-	-	-	1,511,603	154,497	140,065	63,963	52,570	36,150
Total receipts	-	1	28,609	58,941	278,671	6,400	5,753	1,511,603	154,497	140,065	63,963	52,570	36,150
Disbursements:													
Personal services	-	-	-	-	-	-	-	1,511,603	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	55,278	241,505	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	13,700	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	13,396	-	-	-	-	-	5,905	-	154,497	140,065	63,731	52,456	38,910
Total disbursements	13,396	-	-	68,978	241,505	-	5,905	1,511,603	154,497	140,065	63,731	52,456	38,910
Excess (deficiency) of receipts over disbursements	(13,396)	1	28,609	(10,037)	37,166	6,400	(152)	-	-	-	232	114	(2,760)
Cash and investments - ending	\$ -	\$ 1	\$ 48,833	\$ 18,423	\$ 152,020	\$ 142,236	\$ 14,729	\$ -	\$ -	\$ -	\$ 5,053	\$ 4,116	\$ -

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	PAYROLL - P&F INS ASSN	PAYROLL - DENTAL & VISION	PAYROLL - POLICE PEN '77	PAYROLL - AMERICAN FIDELI	PAYROLL - FIRE PEN '77	PAYROLL - P E R F	PAYROLL - MISCELLANEOUS	PAYROLL - MEDICARE	PAYROLL - DEFERRED COMP.	PAYROLL - PRE-PAID LEGAL	PAYROLL - TRANSFER FUNDS	PAYROLL - AFLAC	SEWAGE - OPERATING FUND
Cash and investments - beginning	\$ 147	\$ 735	\$ -	\$ 5,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 64	\$ -	\$ -	\$ 120,920
Receipts:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	1,314,230
Other receipts	978	11,265	20,435	19,786	20,256	30,798	10,257	55,509	9,090	766	-	25,942	55,475
Total receipts	978	11,265	20,435	19,786	20,256	30,798	10,257	55,509	9,090	766	-	25,942	1,369,705
Disbursements:													
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	254,190
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	19,206
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	294,048
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	33,544
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	505,892
Other disbursements	1,125	12,000	19,694	21,870	19,296	29,466	10,257	55,509	9,090	830	-	25,991	259,047
Total disbursements	1,125	12,000	19,694	21,870	19,296	29,466	10,257	55,509	9,090	830	-	25,991	1,365,927
Excess (deficiency) of receipts over disbursements	(147)	(735)	741	(2,084)	960	1,332	-	-	-	(64)	-	(49)	3,778
Cash and investments - ending	\$ -	\$ -	\$ 741	\$ 3,452	\$ 960	\$ 1,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (49)	\$ 124,698

(Continued)

CITY OF UNION CITY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	SEWAGE-CSB BOND & INT	SEWAGE - DEPRECIATION	WASTEWATER CONSTRUCTION FUND	SEWAGE- CSB DEBT RES	WATER - OPERATING FUND	WATER-BoNY BOND & INT	WATER - DEPRECIATION	WATER - METER FUND	WATER-BoNY DEBT RESERVE	WATER - WATERTOWER REPLCM	RDA	Totals
Cash and investments - beginning	\$ 134,625	\$ 1,690,431	\$ 1	\$ 216,952	\$ 96,726	\$ 26,591	\$ 309,068	\$ 128,444	\$ 24,831	\$ 198,416	\$ 277,022	\$ 7,106,164
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	1,632,991
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	20,963
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	3,484,315
Charges for services	-	-	-	-	-	-	-	-	-	-	-	578,053
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	130,097
Utility fees	-	-	-	-	1,006,386	-	-	22,500	-	-	-	2,343,116
Other receipts	267,367	90,000	273,654	26,711	3,498	21,266	90,000	-	1,203	5,550	11,818	4,276,820
Total receipts	267,367	90,000	273,654	26,711	1,009,884	21,266	90,000	22,500	1,203	5,550	11,818	12,466,355
Disbursements:												
Personal services	-	-	-	-	235,108	-	-	-	-	-	-	4,266,268
Supplies	-	-	-	-	-	-	-	-	-	-	-	293,262
Other services and charges	-	-	-	-	19,206	-	-	-	-	-	-	1,568,559
Debt service - principal and interest	267,361	-	-	-	20,400	19,842	-	-	-	-	-	601,651
Capital outlay	-	80,498	273,653	-	70,658	-	121,933	-	-	-	178,283	1,955,676
Utility operating expenses	-	-	-	-	366,829	-	-	17,490	-	-	-	890,211
Other disbursements	-	-	-	-	266,049	-	-	-	-	-	-	4,518,814
Total disbursements	267,361	80,498	273,653	-	978,250	19,842	121,933	17,490	-	-	178,283	14,094,441
Excess (deficiency) of receipts over disbursements	6	9,502	1	26,711	31,634	1,424	(31,933)	5,010	1,203	5,550	(166,465)	(1,628,086)
Cash and investments - ending	\$ 134,631	\$ 1,699,933	\$ 2	\$ 243,663	\$ 128,360	\$ 28,015	\$ 277,135	\$ 133,454	\$ 26,034	\$ 203,966	\$ 110,557	\$ 5,478,078

CITY OF UNION CITY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 91,545	\$ 27,769
Wastewater	945	166,590
Water	<u>9,662</u>	<u>62,447</u>
Totals	<u>\$ 102,152</u>	<u>\$ 256,806</u>

CITY OF UNION CITY
SCHEDULE OF LEASES AND DEBT
December 31, 2023

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
First Capital Equipment Leasing Corp	2021 Chevrolet Tahoe (2)	\$ 18,167	1/1/2022	10/1/2025
Intelligent Marking USA Inc	GPS Line Marking Robot	15,000	10/24/2022	10/24/2028
City of Union City	Lease Rental Revenue			
Redevelopment Authority	Bonds, Series 2022	<u>78,500</u>	1/15/2026	1/15/2037
Total governmental activities		<u>111,667</u>		
Total of annual lease payments		<u>\$ 111,667</u>		
<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>	
<u>Type</u>	<u>Purpose</u>			
Governmental activities:				
Notes and Loans Payable	Pickup Truck Purchase	\$ 19,307	\$ 13,846	
Notes and Loans Payable	Police cars - 2017 Tahoe & 2019 Charger	<u>46,072</u>	<u>8,714</u>	
Total governmental activities		<u>65,379</u>	<u>22,560</u>	
Wastewater:				
Revenue bonds	Wastewater Plant Project	7,984,000	168,000	
Notes and Loans Payable	Pickup Truck Purchase	<u>19,307</u>	<u>13,846</u>	
Total Wastewater		<u>8,003,307</u>	<u>181,846</u>	
Water:				
Revenue bonds	2009 Water Filter Replacement	106,000	16,000	
Notes and Loans Payable	Pickup Truck Purchase	<u>19,307</u>	<u>13,846</u>	
Total Water		<u>125,307</u>	<u>29,846</u>	
Redevelopment Authority:				
Revenue bonds	Lease Rental Revenue Bonds, Series 2022	<u>1,205,000</u>	<u>-</u>	
Totals		<u>\$ 9,398,993</u>	<u>\$ 234,252</u>	

CITY OF UNION CITY
SCHEDULE OF CAPITAL ASSETS
December 31, 2023

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	\$ 965,387
Infrastructure	2,982,240
Buildings	1,647,542
Improvements other than buildings	3,619,358
Machinery, equipment, and vehicles	<u>2,663,238</u>
 Total governmental activities	 <u>11,877,765</u>
 Wastewater:	
Land	60,335
Infrastructure	12,151,914
Buildings	1,332,502
Improvements other than buildings	9,192,139
Machinery, equipment, and vehicles	4,061,580
Construction in progress	<u>9,300,175</u>
 Total Wastewater	 <u>36,098,645</u>
 Water:	
Land	132,712
Infrastructure	1,675,268
Buildings	602,845
Improvements other than buildings	1,896,261
Machinery, equipment, and vehicles	2,315,420
Construction in progress	<u>13,500</u>
 Total Water	 <u>6,636,006</u>
 Total capital assets	 <u>\$ 54,612,416</u>

CITY OF UNION CITY
STATE REPORTING INFORMATION
December 31, 2023

The reports presented herein were prepared in addition to another official report prepared for the City as listed below:

Indiana State Board of Accounts Compliance Examination of the City of Union City.

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Cities and Towns*.

SUPPLEMENTARY INFORMATION

CITY OF UNION CITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended	Total Passed Through to Subrecipient
<u>Department of Agriculture</u>					
Rural Business Development Grant	Direct Award	10.351		\$ 84,798	\$ -
Total – Rural Business Development Grant				<u>84,798</u>	<u>-</u>
Water and Waste Disposal Systems for Rural Communities	Direct Award	10.760		<u>273,653</u>	<u>-</u>
Total – Water and Waste Disposal Systems for Rural Communities				<u>273,653</u>	<u>-</u>
Total – Department of Agriculture				<u>358,451</u>	<u>-</u>
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Direct Award	14.228		<u>464,011</u>	<u>-</u>
Total – Department of the Treasury				<u>464,011</u>	<u>-</u>
<u>Department of Transportation</u>					
Highway Planning and Construction Jackson Pike Improvements Project	Indiana Department of Transportation	20.205	1802944	<u>11,014</u>	<u>-</u>
Total - Department of Transportation				<u>11,014</u>	<u>-</u>
<u>Department of Treasury</u>					
American Rescue Plan Act COVID-19 American Rescue Plan	Indiana Finance Authority	21.027		<u>165,664</u>	<u>-</u>
Total – Department of the Treasury				<u>165,664</u>	<u>-</u>
<u>Environmental Protection Agency</u>					
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	Direct Award	66.818	00E02718	<u>720</u>	<u>-</u>
Total – Environmental Protection Agency				<u>720</u>	<u>-</u>
Total federal awards expended				<u>\$ 999,860</u>	<u>\$ -</u>

See accompanying notes to the schedule of expenditure of federal awards.

CITY OF UNION CITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended December 31, 2023

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of Union City (the "City") under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the receipts, disbursements, and cash and investment balances – regulatory basis of the City.

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expensed when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

The City has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Those Charged with Governance
City of Union City
Randolph County, Indiana

We have audited, in accordance with the 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 Union City ("City"), which comprise the statement of receipts, disbursements, and cash and investment balances of the City as of and for the year ended December 31, 2023 and the related notes to the financial statement, which collectively comprise the City's financial statement, and have issued our report thereon September 24, 2024.

Report on 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) as a basis for designing 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a 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 or significant deficiencies may exist that have not been identified.

Report On Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement is free from 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 financial statement. 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*.

(Continued)

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 24, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM AND
REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Those Charged with Governance
City of Union City
Randolph County, Indiana

Report on Compliance for Major Federal Program***Opinion on Major Federal Program***

We have audited the City of Union City's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended December 31, 2023. 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.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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 a 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 a 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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002, to be significant deficiencies.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 24, 2024

CITY OF UNION CITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2023

Section I – Summary of Auditor’s Results:

Financial Statement

Type of auditor’s report issued:	Adverse as to GAAP, Unmodified as to regulatory basis		
Internal control over financial reporting:			
Material weakness(es) identified?	_____ Yes	___X___ No	
Significant deficiencies identified not considered to be material weaknesses?	_____ Yes	___X___ None Reported	
Noncompliance material to financial statement noted?	_____ Yes	___X___ No	

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ Yes	___X___ No	
Significant deficiencies identified not considered to be material weaknesses?	___X___ Yes	_____ None Reported	
Type of auditor’s report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____ Yes	___X___ No	

Identification of major programs:

<u>ALN Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____ Yes	___X___ No
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Section II – Financial Statement Findings

None.

(Continued)

CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section III – Federal Award Findings and Questioned Costs

FINDING 2023-001

Information on the federal program:

Subject: Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii
- Internal Controls

Federal Agency: Department of Housing and Urban Development

Assistance Listing Number: 14.228

Compliance Requirement: Reporting

Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Condition: An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the reporting compliance requirement.

Cause: The City's management had not developed a system of internal controls to ensure compliance with the reporting requirements.

Effect: The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: There were no questioned costs identified.

Context: We noted that for the two semi-annual reports selected for testing, the City did not perform a documented review and approval of the reporting package prepared by the City's consultant before the submission of the report.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the City implement a documented, formal review of the semi-annual reports before they are submitted for reimbursement.

Views of Responsible Officials and Planned Corrective Actions: For the views of the responsible officials, refer to the Corrective Action Plan that is part of this report.

(Continued)

CITY OF UNION CITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

FINDING 2023-002

Information on the federal program:

Subject: Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - Internal Controls

Federal Agency: Department of Housing and Urban Development

Assistance Listing Number: 14.228

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Finding: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Condition: An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the reporting compliance requirement.

Cause: The City's management had not developed a system of internal controls to ensure compliance with the reporting requirements.

Effect: The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the programs.

Questioned Costs: There were no questioned costs identified.

Context: We noted that for the payroll periods sampled for wage-rate testing, the City did not perform a periodic, documented review and approval of the performance and results of wage rate testing performed by the City's consultant.

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the City implement a documented, formal review of the wage-rate testing done by the contracted consulting company.

Views of Responsible Officials and Planned Corrective Actions: For the views of the responsible officials, refer to the Corrective Action Plan that is part of this report.

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

December 31, 2023

Finding 2023-001 – CDBG Reporting

Contact Person Responsible for Corrective Action: Clerk-Treasurer and / or City Manager

Contact Phone Number: 765-964-6534

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: The City will review the reports prepared by the consultant and formally document their review

Anticipated Completion Date: Effective immediately beginning 09/24/2024

Finding 2023-002 – CDBG Special Tests and Provisions - Wage Rate Requirements

Contact Person Responsible for Corrective Action: Clerk-Treasurer and / or City Manager

Contact Phone Number: 765-964-6534

Views of Responsible Official: We concur with the finding

Description of Corrective Action Plan: The City will review the wage-rate testing prepared by the consultant and formally document their review

Anticipated Completion Date: Effective immediately beginning 09/24/2024



Amy Richards, Clerk-Treasurer

Chad Spence
Mayor

Amy Richards
Clerk/Treasurer

Robert Lahey
Gary Elliott
Jason Brewer
Tim Heuss
Tito Farias
Council Members

Eric Hiatt
Public Safety Director

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