

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

ANNUAL FINANCIAL REPORT

2010

SHELBY COUNTY, INDIANA



FILED

08/15/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Auditor	Amy L. Glackman	01-01-07 to 12-31-14
Treasurer	Kathy Plunkett Tawnya Williams	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Clerk	Carol Stohry Vicki Franklin	01-01-07 to 12-31-10 01-01-11 to 12-31-14
Sheriff	Mike Bowlby	01-01-07 to 12-31-14
Recorder	Mary Jo Phares	01-01-07 to 12-31-14
President of the Board of County Commissioners	Tony Newton	01-01-10 to 12-31-11
President of the County Council	Terry Smith Tom Debaun	01-01-10 to 12-31-10 01-01-11 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

We have audited the accompanying financial statement of Shelby County (County), for the year ended December 31, 2010. This financial statement is the responsibility of the County's management. Our responsibility is to express opinions on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the County 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 basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 13, 2011, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

Our audit was conducted for the purpose of forming an opinion on the County's financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the County's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 13, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

We have audited the financial statement of Shelby County (County), for the year ended December 31, 2010, and have issued our report thereon dated July 13, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures 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 County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1 to be material weaknesses.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The County's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the County's management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 13, 2011

FINANCIAL STATEMENT(S)

SHELBY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ (1,379,983)	\$ 15,480,983	\$ 13,016,166	\$ 1,084,834
New Settlement	(630)	58,202,564	58,201,934	-
Local Road And Street	1,787,558	731,758	238,973	2,280,343
Firearms Training	35,232	22,257	9,725	47,764
Health	78,881	482,938	423,801	138,018
Donations/Sheriff Dept	18,387	405	-	18,792
Clerk's Records Perpetuation	94,105	19,405	14,427	99,083
Recorder's Enhanced Access Fund	2,890	2,117	-	5,007
Unsafe Building	1,300	-	-	1,300
Drainage Maintenance	513,705	104,694	124,517	493,882
Emergency Planning/Right To Know	39,407	-	11,669	27,738
Highway	1,219,919	4,698,946	4,378,792	1,540,073
Prosecutor Title Iv-D	531	-	-	531
Extradition	78	-	-	78
Juvenile Probation Service	29,545	7,562	-	37,107
Recorder's Records Perpetuation	28,242	59,791	67,765	20,268
Health Maintenance	47,059	50,776	35,516	62,319
Pretrial Diversion	205,622	36,167	20,504	221,285
Guardian Ad Litem/Court	2,072	11,848	10,744	3,176
Plat Book	44,595	12,060	33,986	22,669
Medical Assistance To Wards	101,814	-	-	101,814
Children With Special Health Needs	12,980	-	-	12,980
Clerk I-V D Incentive 10-1-99	80,459	-	1,315	79,144
Suveryor's Corner Perpetuation	16,373	8,205	11,152	13,426
Sheriff's Continuing Education	3,172	4,892	4,240	3,824
Jury Pay	25,505	7,834	2	33,337
Presecutor Donation	821	512	100	1,233
Case Flow Management	-	30,000	30,000	-
Rainy Day	1,114,114	561,245	269,237	1,406,122
Inmate Medical	11,898	7,159	60	18,997
Disclosure/Assessor	411	3,825	2,710	1,526
Law Enforcement	15,565	18,305	13,232	20,638
Work Release	18,549	12,926	13,909	17,566
Welfare Hci	11,891	-	-	11,891
Project Income House Arrest	366,524	375,492	359,349	382,667
Cumulative Reassessment	31,280	458,548	129,638	360,190
Sheriff's Commissary	4,295	20,001	18,670	5,626
County Corrections	24,704	29,566	14,783	39,487
Build Indiana	198,098	-	4,600	193,498
Community Corrections	(89,950)	487,535	397,585	-
Cri Grant - Health Dept	17,295	-	-	17,295
Seized Assets	4	-	-	4
Adult Protective Services	1,889	72,919	38,817	35,991
Coroners Education	259	3,694	3,787	166
Identification Security Protection	10,514	16,194	5,606	21,102
Operation Pull Over	263	-	-	263
Public Defender	2,668	34,780	19,550	17,898
Food And Beverage Tax	602,680	291,067	300,000	593,747
Pros Iv-D Incentive 10-1-99	91,433	11,049	10,459	92,023
Adult Probation Services	160,406	185,433	161,419	184,420
Shelby Co. Sex & Violent Offender	3,126	4,075	386	6,815
Act Juvenile Justice	6,715	-	-	6,715
Adult Protective Services 2	(17,030)	-	32,573	(49,603)
Assessment & Referral	71,720	77,745	70,252	79,213
Bail Alternative Building	62,661	9,453	27,571	44,543
Campaign Enforcement	200	-	-	200
Civil Process Fees	6,383	24,061	23,710	6,734
Community Corrections 2	150,005	398,916	462,055	86,866
Comprehensive Plan Emergency	16,477	-	-	16,477
County Drug Free Community Fund	61,967	60,709	61,967	60,709
County Share Edit	485,804	986,937	424,896	1,047,845
E-911	45,374	225,968	244,533	26,809
English Second Language	830	855	-	1,685
Informal Adjustment	11,141	6,015	10,198	6,958
Interstate Compact Fees	75	526	563	38
Madd Impact Fees	2,640	-	-	2,640
Mortgage Fees - State	328	3,717	3,670	375
Pro Bono Programs	17,187	7,003	9,684	14,506
Pros Law Enforcement	53,356	60,149	61,127	52,378
Public Prepardness	9,467	29,689	34,935	4,221
Sheriff Defibulator Donations	70	-	-	70
Sheriff Drug Free	4,813	5,000	7,654	2,159
Sheriff Range Fund	310	-	94	216
Sheriff Special Accident	10,652	2,642	616	12,678

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

SHELBY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010
(Continued)

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Sheriff Training Fund	550	-	-	550
Sheriff's Restitution	10,361	100	54	10,407
Vending Machine	2,056	108	445	1,719
Racino Tax	3,458,028	3,212,098	6,670,126	-
Gal/Capta	2,500	-	-	2,500
Race-Gender Fairness	20,684	12,750	21,058	12,376
Drug Free Coalition	16,667	67,263	95,958	(12,028)
Tsf Drug Free Coalition	(2,730)	-	6,562	(9,292)
Victim Assistance	(7,713)	13,513	21,674	(15,874)
Dui Task Force	2,562	7,299	5,808	4,053
4-H Drug Free Grant Tfc	145	-	-	145
Victim Assist 2	(25,951)	24,045	30,075	(31,981)
Juvenile Intensive Sp	(241)	-	-	(241)
Jisp	8,720	-	-	8,720
Community Correction Juv	(2,250)	-	-	(2,250)
Homeland Security Computer Grant	(7)	4,052	4,052	(7)
Bcc Traffic Enorcement	4,392	17,999	18,817	3,574
Youth Substance Abuse Prevention	(10,142)	122,436	120,208	(7,914)
Comm. Corr. Drug Free	1,200	-	-	1,200
Fbi Justice Funds	4,014	501	4,072	443
E-911 Land Line	8,995	478,489	479,556	7,928
Racino - County	598,596	7,287,577	3,293,027	4,593,146
Jabg Flow Through Grant Cc	808	-	-	808
H1N1 Vaccination	(1,542)	72,972	70,938	492
Edward Byrne Memorial - Sheriff	822	-	570	252
Assessor Data Entry Fee	-	2,510	-	2,510
Hendricks Street Rental	-	6,457	-	6,457
Final Hea 1001-2007 2008 Ptrc	-	168,632	168,632	-
Jail Debt	283,836	-	32,342	251,494
Cum. Courthouse	(185,167)	756,156	623,000	(52,011)
Cumulative Capital Development	(155,656)	508,372	609,534	(256,818)
Cumulative Bridge	2,330,179	805,445	246,798	2,888,826
Gdif	101,976	148,465	55,798	194,643
Congressional School Principal	17,421	-	-	17,421
Tindall Farm	169,530	62,875	36,774	195,631
City And Town Court Costs	38,996	19,492	34	58,454
Congressional School Interest	14,730	325	-	15,055
State Sales Disclosure Fee	385	3,825	3,875	335
Infraction Judgements	14,083	153,417	160,087	7,413
Inheritance Tax	258,445	2,189,788	2,125,154	323,079
Payroll	245,302	3,105,231	3,257,747	92,786
Payroll Withholding-Insurance	571,919	1,259,251	1,682,372	148,798
Education Plate Fees	-	1,031	1,031	-
Innkeepers Tax	67,037	171,587	145,595	93,029
Homestead Credit Rebate	210,711	-	-	210,711
Ptrc 2008 Distribution	2,391	5,136	7,669	(142)
Excess Levy	155,723	24,726	-	180,449
Title Iii Sara	-	4,344	-	4,344
2008 Citizen Corpts Programs	-	1,855	4,433	(2,578)
Automotive Safety	2	-	-	2
Ctp Community Corrections	10,651	-	-	10,651
Excess Taxes	459,833	63,831	61,533	462,131
Fines & Forfeitures	10,164	50,377	59,126	1,415
Misc. Distributions	82,363	795	-	83,158
Settlement Fund	332,802	421,501	758,555	(4,252)
Sheriff Surety Bonds	930	290	-	1,220
Tax Sale Surplus	11,461	1,180,091	457,349	734,203
Tax Sale Redemption	(1,563)	165,779	361,287	(197,071)
County Treasurer	4,326,778	66,901,661	68,876,154	2,352,285
County Clerk	774,199	13,033,738	13,273,609	534,328
County Recorder	21,434	194,367	191,576	24,225
Sheriff Cash Book	-	1,365,475	1,365,475	-
Sheriff Inmate Trust	8,461	286,566	290,630	4,397
Sheriff Commissary	68,519	241,982	228,882	81,619
Sheriff Food Account	26,861	341,953	367,956	858
Sheriff Pension	6,519,064	670,194	438,748	6,750,510
Totals	<u>\$ 27,493,024</u>	<u>\$ 190,107,634</u>	<u>\$ 186,609,978</u>	<u>\$ 30,990,680</u>

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

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The County was established under the laws of the State of Indiana. The County operates under a Council-Commissioner form of government and provides some or all of the following services: public safety (police), highways and streets, health welfare and social services, culture and recreation, public improvements, planning and zoning, and general administrative services.

The accompanying financial statement(s) present(s) the financial information for the County (primary government), and does not include financial information for any of the County's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the County (primary government).

B. Basis of Accounting

The financial statements are 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 statements. The aggregate receipts may include, but are not limited to, 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 County.

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.

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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, 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 statements. The aggregate disbursements may include, but are not limited to, 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.

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

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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.

F. Interfund Transfers

The County 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 County. 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 County. 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 County 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 County 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 County 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.

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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

Note 5. Risk Management

The County 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 County to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the County by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

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 PERF Board, most requirements of the system, and give the County 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.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. County Police Retirement Plan

Plan Description

The County Police Retirement Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides retirement, death, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Retirement Plan are established by state statute.

C. County Police Benefit Plan

Plan Description

The County Police Benefit Plan is a single-employer defined benefit pension plan. With the approval of the County's fiscal body, the plan is administered by the sheriff's department and an appointed trustee as authorized by state statute (IC 36-8-10-12) for full-time police officers. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting the county sheriff.

Funding Policy

The contribution requirements of plan members for the County Police Benefit Plan are established by state statute.

The County also contributes to additional pension plan(s) unique to the County. Information regarding these plans may be obtained from the County.

Note 7. Restatements and Reclassifications

For the year ended December 31, 2009, certain changes have been made to the financial statements to more appropriately reflect financial activity of the County. The following schedule presents a summary of restated beginning balances by fund. Fund reclassifications represent reclassified tax revenues due to change in reporting model and prior period adjustments are correction of errors.

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Opinion Unit	Balance as Reported December 31, 2009	Fund Reclassification	Prior Period Adjustments	Balance as Restated January 1, 2010
General Fund	\$ (868,749)	\$ (511,234)	\$ -	\$ (1,379,983)
Cumulative Capital Development	(119,981)	(35,675)	-	(155,656)
Cumulative Reassessment	42,879	(11,599)	-	31,280
Cum Courthouse	(107,912)	(77,255)	-	(185,167)
Cumulative Bridge	2,381,389	(51,210)	-	2,330,179
Health	120,244	(41,363)	-	78,881
County Treasurer	3,600,834	728,335	(2,391)	4,326,778
Settlement Fund	332,896	(94)	-	332,802
Misc. Distributions	-	82,363	-	82,363
Excess Taxes	542,103	(82,270)	-	459,833

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Shelby County's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	New Settlement	Local Road And Street	Firearms Training	Health	Donations/Sheriff Dept	Clerk's Records Perpetuation
Cash and investments - beginning	\$ (1,379,983)	\$ (630)	\$ 1,787,558	\$ 35,232	\$ 78,881	\$ 18,387	\$ 94,105
Receipts:							
Taxes	9,215,445	58,202,564	-	-	361,976	-	-
Licenses and permits	-	-	-	-	28,601	-	-
Intergovernmental	1,161,761	-	422,115	-	42,005	-	-
Charges for services	631,811	-	-	-	16,623	-	-
Fines and forfeits	355,992	-	-	-	-	-	-
Other receipts	4,115,974	-	309,643	22,257	33,733	405	19,405
Total receipts	<u>15,480,983</u>	<u>58,202,564</u>	<u>731,758</u>	<u>22,257</u>	<u>482,938</u>	<u>405</u>	<u>19,405</u>
Disbursements:							
Personal services	7,881,867	-	-	-	323,901	-	-
Supplies	669,299	-	-	7,969	26,196	-	-
Other services and charges	2,770,750	-	238,973	1,140	49,030	-	9,216
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	54,426	-	-	576	-	-	2,159
Other disbursements	1,639,824	58,201,934	-	40	24,674	-	3,052
Total disbursements	<u>13,016,166</u>	<u>58,201,934</u>	<u>238,973</u>	<u>9,725</u>	<u>423,801</u>	<u>-</u>	<u>14,427</u>
Excess (deficiency) of receipts over disbursements	<u>2,464,817</u>	<u>630</u>	<u>492,785</u>	<u>12,532</u>	<u>59,137</u>	<u>405</u>	<u>4,978</u>
Cash and investments - ending	<u>\$ 1,084,834</u>	<u>\$ -</u>	<u>\$ 2,280,343</u>	<u>\$ 47,764</u>	<u>\$ 138,018</u>	<u>\$ 18,792</u>	<u>\$ 99,083</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Recorder's Enhanced Access Fund	Unsafe Building	Drainage Maintenance	Emergency Planning/Right To Know	Highway	Prosecutor Title Iv-D	Extradition
Cash and investments - beginning	\$ 2,890	\$ 1,300	\$ 513,705	\$ 39,407	\$ 1,219,919	\$ 531	\$ 78
Receipts:							
Taxes	-	-	104,694	-	1,081,308	-	-
Licenses and permits	-	-	-	-	10,365	-	-
Intergovernmental	-	-	-	-	2,222,402	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	2,117	-	-	-	1,384,871	-	-
Total receipts	<u>2,117</u>	<u>-</u>	<u>104,694</u>	<u>-</u>	<u>4,698,946</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	34	-	988,314	-	-
Supplies	-	-	-	-	2,419,944	-	-
Other services and charges	-	-	124,483	9,749	391,292	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,920	579,242	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>124,517</u>	<u>11,669</u>	<u>4,378,792</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,117</u>	<u>-</u>	<u>(19,823)</u>	<u>(11,669)</u>	<u>320,154</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 5,007</u>	<u>\$ 1,300</u>	<u>\$ 493,882</u>	<u>\$ 27,738</u>	<u>\$ 1,540,073</u>	<u>\$ 531</u>	<u>\$ 78</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Juvenile Probation Service	Recorder's Records Perpetuation	Health Maintenance	Pretrial Diversion	Guardian Ad Litem/Court	Plat Book	Medical Assistance To Wards
Cash and investments - beginning	\$ 29,545	\$ 28,242	\$ 47,059	\$ 205,622	\$ 2,072	\$ 44,595	\$ 101,814
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	16,570	-	11,848	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	7,562	59,791	34,206	36,167	-	12,060	-
Total receipts	<u>7,562</u>	<u>59,791</u>	<u>50,776</u>	<u>36,167</u>	<u>11,848</u>	<u>12,060</u>	<u>-</u>
Disbursements:							
Personal services	-	28,925	6,495	-	-	-	-
Supplies	-	-	-	3,553	-	-	-
Other services and charges	-	17,986	29,021	11,951	10,744	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	20,000	-	5,000	-	-	-
Other disbursements	-	854	-	-	-	33,986	-
Total disbursements	<u>-</u>	<u>67,765</u>	<u>35,516</u>	<u>20,504</u>	<u>10,744</u>	<u>33,986</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,562</u>	<u>(7,974)</u>	<u>15,260</u>	<u>15,663</u>	<u>1,104</u>	<u>(21,926)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 37,107</u>	<u>\$ 20,268</u>	<u>\$ 62,319</u>	<u>\$ 221,285</u>	<u>\$ 3,176</u>	<u>\$ 22,669</u>	<u>\$ 101,814</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Children With Special Health Needs	Clerk I-V D Incentive 10-1-99	Suveryor's Corner Perpetuation	Sheriff's Continuing Education	Jury Pay	Presecutor Donation
Cash and investments - beginning	\$ 12,980	\$ 80,459	\$ 16,373	\$ 3,172	\$ 25,505	\$ 821
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	8,205	4,892	7,834	512
Total receipts	-	-	8,205	4,892	7,834	512
Disbursements:						
Personal services	-	-	9,270	-	-	-
Supplies	-	1,315	484	-	-	-
Other services and charges	-	-	1,398	4,240	-	100
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	2	-
Total disbursements	-	1,315	11,152	4,240	2	100
Excess (deficiency) of receipts over disbursements	-	(1,315)	(2,947)	652	7,832	412
Cash and investments - ending	\$ 12,980	\$ 79,144	\$ 13,426	\$ 3,824	\$ 33,337	\$ 1,233

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Case Flow Management	Rainy Day	Inmate Medical	Disclosure/Assessor	Law Enforcement	Work Release
Cash and investments - beginning	\$ -	\$ 1,114,114	\$ 11,898	\$ 411	\$ 15,565	\$ 18,549
Receipts:						
Taxes	-	561,245	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	12,926
Other receipts	30,000	-	7,159	3,825	18,305	-
Total receipts	<u>30,000</u>	<u>561,245</u>	<u>7,159</u>	<u>3,825</u>	<u>18,305</u>	<u>12,926</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	2,952
Other services and charges	30,000	269,237	60	2,710	13,228	1,875
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	9,082
Other disbursements	-	-	-	-	4	-
Total disbursements	<u>30,000</u>	<u>269,237</u>	<u>60</u>	<u>2,710</u>	<u>13,232</u>	<u>13,909</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>292,008</u>	<u>7,099</u>	<u>1,115</u>	<u>5,073</u>	<u>(983)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 1,406,122</u>	<u>\$ 18,997</u>	<u>\$ 1,526</u>	<u>\$ 20,638</u>	<u>\$ 17,566</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Welfare Hci	Project Income House Arrest	Cumulative Reassessment	Sheriff's Commissary	County Corrections	Build Indiana
Cash and investments - beginning	\$ 11,891	\$ 366,524	\$ 31,280	\$ 4,295	\$ 24,704	\$ 198,098
Receipts:						
Taxes	-	-	242,705	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	23,272	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	375,492	192,571	20,001	29,566	-
Total receipts	-	375,492	458,548	20,001	29,566	-
Disbursements:						
Personal services	-	-	3,097	17,470	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	125,647	1,200	14,783	4,600
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	894	-	-	-
Other disbursements	-	359,349	-	-	-	-
Total disbursements	-	359,349	129,638	18,670	14,783	4,600
Excess (deficiency) of receipts over disbursements	-	16,143	328,910	1,331	14,783	(4,600)
Cash and investments - ending	\$ 11,891	\$ 382,667	\$ 360,190	\$ 5,626	\$ 39,487	\$ 193,498

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Community Corrections	Cri Grant Health Dept	Seized Assets	Adult Protective Services	Coroners Education	Identification Security Protection
Cash and investments - beginning	\$ (89,950)	\$ 17,295	\$ 4	\$ 1,889	\$ 259	\$ 10,514
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	281,848	-	-	67,417	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	205,687	-	-	5,502	3,694	16,194
Total receipts	<u>487,535</u>	<u>-</u>	<u>-</u>	<u>72,919</u>	<u>3,694</u>	<u>16,194</u>
Disbursements:						
Personal services	261,363	-	-	34,698	-	-
Supplies	8,166	-	-	597	3,787	-
Other services and charges	126,841	-	-	2,863	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,215	-	-	659	-	5,606
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>397,585</u>	<u>-</u>	<u>-</u>	<u>38,817</u>	<u>3,787</u>	<u>5,606</u>
Excess (deficiency) of receipts over disbursements	<u>89,950</u>	<u>-</u>	<u>-</u>	<u>34,102</u>	<u>(93)</u>	<u>10,588</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 17,295</u>	<u>\$ 4</u>	<u>\$ 35,991</u>	<u>\$ 166</u>	<u>\$ 21,102</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Operation Pull Over	Public Defender	Food And Beverage Tax	Pros Iv-D Incentive 10-1-99	Adult Probation Services	Shelby Co. Sex & Violent Offender
Cash and investments - beginning	\$ 263	\$ 2,668	\$ 602,680	\$ 91,433	\$ 160,406	\$ 3,126
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	291,067	-	-	-
Charges for services	-	-	-	-	17,907	-
Fines and forfeits	-	-	-	-	-	4,075
Other receipts	-	34,780	-	11,049	167,526	-
Total receipts	-	34,780	291,067	11,049	185,433	4,075
Disbursements:						
Personal services	-	19,550	-	-	122,728	-
Supplies	-	-	-	3,775	4,706	21
Other services and charges	-	-	300,000	6,684	22,616	365
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	9,561	-
Other disbursements	-	-	-	-	1,808	-
Total disbursements	-	19,550	300,000	10,459	161,419	386
Excess (deficiency) of receipts over disbursements	-	15,230	(8,933)	590	24,014	3,689
Cash and investments - ending	\$ 263	\$ 17,898	\$ 593,747	\$ 92,023	\$ 184,420	\$ 6,815

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Act Juvenile Justice	Adult Protective Services 2	Assessment & Referral	Bail Alternative Building	Campaign Enforcement	Civil Process Fees
Cash and investments - beginning	\$ 6,715	\$ (17,030)	\$ 71,720	\$ 62,661	\$ 200	\$ 6,383
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	24,061
Other receipts	-	-	77,745	9,453	-	-
Total receipts	-	-	77,745	9,453	-	24,061
Disbursements:						
Personal services	-	30,186	56,405	4,882	-	23,710
Supplies	-	549	471	-	-	-
Other services and charges	-	1,838	5,971	2,680	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	4,971	20,009	-	-
Other disbursements	-	-	2,434	-	-	-
Total disbursements	-	32,573	70,252	27,571	-	23,710
Excess (deficiency) of receipts over disbursements	-	(32,573)	7,493	(18,118)	-	351
Cash and investments - ending	\$ 6,715	\$ (49,603)	\$ 79,213	\$ 44,543	\$ 200	\$ 6,734

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Community Corrections 2	Comprehensive Plan Emergency	County Drug Free Community Fund	County Share Edit	E-911	English Second Language
Cash and investments - beginning	\$ 150,005	\$ 16,477	\$ 61,967	\$ 485,804	\$ 45,374	\$ 830
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	855
Other receipts	398,916	-	60,709	986,937	225,968	-
Total receipts	<u>398,916</u>	<u>-</u>	<u>60,709</u>	<u>986,937</u>	<u>225,968</u>	<u>855</u>
Disbursements:						
Personal services	267,845	-	-	79,799	59,670	-
Supplies	6,987	-	-	1,021	-	-
Other services and charges	118,392	-	61,967	343,821	92,730	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,523	-	-	255	-	-
Other disbursements	67,308	-	-	-	92,133	-
Total disbursements	<u>462,055</u>	<u>-</u>	<u>61,967</u>	<u>424,896</u>	<u>244,533</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(63,139)</u>	<u>-</u>	<u>(1,258)</u>	<u>562,041</u>	<u>(18,565)</u>	<u>855</u>
Cash and investments - ending	<u>\$ 86,866</u>	<u>\$ 16,477</u>	<u>\$ 60,709</u>	<u>\$ 1,047,845</u>	<u>\$ 26,809</u>	<u>\$ 1,685</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Informal Adjustment	Interstate Compact Fees	Madd Impact Fees	Mortgage Fees State	Pro Bono Programs	Pros Law Enforcement
Cash and investments - beginning	\$ 11,141	\$ 75	\$ 2,640	\$ 328	\$ 17,187	\$ 53,356
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	3,717	-	-
Fines and forfeits	-	526	-	-	-	-
Other receipts	6,015	-	-	-	7,003	60,149
Total receipts	<u>6,015</u>	<u>526</u>	<u>-</u>	<u>3,717</u>	<u>7,003</u>	<u>60,149</u>
Disbursements:						
Personal services	-	-	-	-	2,241	-
Supplies	3,528	-	-	-	88	-
Other services and charges	6,670	563	-	3,670	6,765	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	90	-
Other disbursements	-	-	-	-	500	61,127
Total disbursements	<u>10,198</u>	<u>563</u>	<u>-</u>	<u>3,670</u>	<u>9,684</u>	<u>61,127</u>
Excess (deficiency) of receipts over disbursements	<u>(4,183)</u>	<u>(37)</u>	<u>-</u>	<u>47</u>	<u>(2,681)</u>	<u>(978)</u>
Cash and investments - ending	<u>\$ 6,958</u>	<u>\$ 38</u>	<u>\$ 2,640</u>	<u>\$ 375</u>	<u>\$ 14,506</u>	<u>\$ 52,378</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Public Preparedness	Sheriff Defibulator Donations	Sheriff Drug Free	Sheriff Range Fund	Sheriff Special Accident	Sheriff Training Fund
Cash and investments - beginning	\$ 9,467	\$ 70	\$ 4,813	\$ 310	\$ 10,652	\$ 550
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	29,689	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	5,000	-	2,642	-
Total receipts	<u>29,689</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>2,642</u>	<u>-</u>
Disbursements:						
Personal services	-	-	7,654	-	-	-
Supplies	34,935	-	-	-	-	-
Other services and charges	-	-	-	94	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	616	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>34,935</u>	<u>-</u>	<u>7,654</u>	<u>94</u>	<u>616</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(5,246)</u>	<u>-</u>	<u>(2,654)</u>	<u>(94)</u>	<u>2,026</u>	<u>-</u>
Cash and investments - ending	<u>\$ 4,221</u>	<u>\$ 70</u>	<u>\$ 2,159</u>	<u>\$ 216</u>	<u>\$ 12,678</u>	<u>\$ 550</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sheriff's Restitution	Vending Machine	Racino Tax	Gal/Capta	Race-Gender Fairness	Drug Free Coalition
Cash and investments - beginning	\$ 10,361	\$ 2,056	\$ 3,458,028	\$ 2,500	\$ 20,684	\$ 16,667
Receipts:						
Taxes	100	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	3,212,098	-	-	61,967
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	108	-	-	12,750	5,296
Total receipts	<u>100</u>	<u>108</u>	<u>3,212,098</u>	<u>-</u>	<u>12,750</u>	<u>67,263</u>
Disbursements:						
Personal services	-	-	-	-	-	1,447
Supplies	-	149	1,795	-	-	2,730
Other services and charges	54	296	3,881	-	21,058	91,734
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	6,664,450	-	-	47
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>54</u>	<u>445</u>	<u>6,670,126</u>	<u>-</u>	<u>21,058</u>	<u>95,958</u>
Excess (deficiency) of receipts over disbursements	<u>46</u>	<u>(337)</u>	<u>(3,458,028)</u>	<u>-</u>	<u>(8,308)</u>	<u>(28,695)</u>
Cash and investments - ending	<u>\$ 10,407</u>	<u>\$ 1,719</u>	<u>\$ -</u>	<u>\$ 2,500</u>	<u>\$ 12,376</u>	<u>\$ (12,028)</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Tsf Drug Free Coalition	Victim Assistance	Dui Task Force	4-H Drug Free Grant Tfc	Victim Assist 2	Juvenile Intensive SP
Cash and investments - beginning	\$ (2,730)	\$ (7,713)	\$ 2,562	\$ 145	\$ (25,951)	\$ (241)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	13,513	7,299	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	24,045	-
Total receipts	<u>-</u>	<u>13,513</u>	<u>7,299</u>	<u>-</u>	<u>24,045</u>	<u>-</u>
Disbursements:						
Personal services	470	18,931	5,700	-	27,302	-
Supplies	-	491	-	-	293	-
Other services and charges	773	261	-	-	2,231	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	1,991	-	-	249	-
Other disbursements	5,319	-	108	-	-	-
Total disbursements	<u>6,562</u>	<u>21,674</u>	<u>5,808</u>	<u>-</u>	<u>30,075</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,562)</u>	<u>(8,161)</u>	<u>1,491</u>	<u>-</u>	<u>(6,030)</u>	<u>-</u>
Cash and investments - ending	<u>\$ (9,292)</u>	<u>\$ (15,874)</u>	<u>\$ 4,053</u>	<u>\$ 145</u>	<u>\$ (31,981)</u>	<u>\$ (241)</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Jisp	Community Correction Juv	Homeland Security Computer Grant	Bcc Traffic Enorcement	Youth Substance Prevention P	Comm. Corr. Drug Free
Cash and investments - beginning	\$ 8,720	\$ (2,250)	\$ (7)	\$ 4,392	\$ (10,142)	\$ 1,200
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	4,052	17,999	122,385	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	-	51	-
Total receipts	<u>-</u>	<u>-</u>	<u>4,052</u>	<u>17,999</u>	<u>122,436</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	17,326	52,489	-
Supplies	-	-	-	-	4,926	-
Other services and charges	-	-	-	-	54,469	-
Debt service - principal and interest	-	-	-	-	8,324	-
Capital outlay	-	-	4,052	-	-	-
Other disbursements	-	-	-	1,491	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>4,052</u>	<u>18,817</u>	<u>120,208</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>(818)</u>	<u>2,228</u>	<u>-</u>
Cash and investments - ending	<u>\$ 8,720</u>	<u>\$ (2,250)</u>	<u>\$ (7)</u>	<u>\$ 3,574</u>	<u>\$ (7,914)</u>	<u>\$ 1,200</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Fbi Justice Funds	E-911 Land Line	Racino County	Jabg Flow Through Grant Cc	H1N1 Vaccination	Edward Byrne Memorial Sheriff
Cash and investments - beginning	\$ 4,014	\$ 8,995	\$ 598,596	\$ 808	\$ (1,542)	\$ 822
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	7,287,577	-	72,972	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	501	478,489	-	-	-	-
Total receipts	<u>501</u>	<u>478,489</u>	<u>7,287,577</u>	<u>-</u>	<u>72,972</u>	<u>-</u>
Disbursements:						
Personal services	-	39,799	-	-	-	-
Supplies	-	-	194,538	-	-	-
Other services and charges	-	439,757	2,997,802	-	70,938	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	4,072	-	100,687	-	-	570
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>4,072</u>	<u>479,556</u>	<u>3,293,027</u>	<u>-</u>	<u>70,938</u>	<u>570</u>
Excess (deficiency) of receipts over disbursements	<u>(3,571)</u>	<u>(1,067)</u>	<u>3,994,550</u>	<u>-</u>	<u>2,034</u>	<u>(570)</u>
Cash and investments - ending	<u>\$ 443</u>	<u>\$ 7,928</u>	<u>\$ 4,593,146</u>	<u>\$ 808</u>	<u>\$ 492</u>	<u>\$ 252</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Assessor Data Entry Fee	Hendricks Street Rental	Final Hea 1001-2007 2008 Ptrc	Jail Debt	Cum. Courthouse	Cumulative Capital Development
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 283,836	\$ (185,167)	\$ (155,656)
Receipts:						
Taxes	-	-	-	-	678,441	428,372
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	77,715	45,368
Charges for services	-	6,457	168,632	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	2,510	-	-	-	-	34,632
Total receipts	<u>2,510</u>	<u>6,457</u>	<u>168,632</u>	<u>-</u>	<u>756,156</u>	<u>508,372</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	32,342	-	85,116
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	623,000	524,068
Other disbursements	-	-	168,632	-	-	350
Total disbursements	<u>-</u>	<u>-</u>	<u>168,632</u>	<u>32,342</u>	<u>623,000</u>	<u>609,534</u>
Excess (deficiency) of receipts over disbursements	<u>2,510</u>	<u>6,457</u>	<u>-</u>	<u>(32,342)</u>	<u>133,156</u>	<u>(101,162)</u>
Cash and investments - ending	<u>\$ 2,510</u>	<u>\$ 6,457</u>	<u>\$ -</u>	<u>\$ 251,494</u>	<u>\$ (52,011)</u>	<u>\$ (256,818)</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Bridge	Gdif	Congressional School Principal	Tindall Farm	City And Town Court Costs	Congressional School Interest
Cash and investments - beginning	\$ 2,330,179	\$ 101,976	\$ 17,421	\$ 169,530	\$ 38,996	\$ 14,730
Receipts:						
Taxes	620,944	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	65,622	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	118,879	148,465	-	62,875	19,492	325
Total receipts	<u>805,445</u>	<u>148,465</u>	<u>-</u>	<u>62,875</u>	<u>19,492</u>	<u>325</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	246,798	55,798	-	36,774	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	34	-
Total disbursements	<u>246,798</u>	<u>55,798</u>	<u>-</u>	<u>36,774</u>	<u>34</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>558,647</u>	<u>92,667</u>	<u>-</u>	<u>26,101</u>	<u>19,458</u>	<u>325</u>
Cash and investments - ending	<u>\$ 2,888,826</u>	<u>\$ 194,643</u>	<u>\$ 17,421</u>	<u>\$ 195,631</u>	<u>\$ 58,454</u>	<u>\$ 15,055</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	State Sales Disclosure Fee	Infraction Judgements	Inheritance Tax	Payroll	Payroll Withholding-Insurance	Education Plate Fees
Cash and investments - beginning	\$ 385	\$ 14,083	\$ 258,445	\$ 245,302	\$ 571,919	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	3,825	153,417	2,189,788	3,105,231	1,259,251	1,031
Total receipts	<u>3,825</u>	<u>153,417</u>	<u>2,189,788</u>	<u>3,105,231</u>	<u>1,259,251</u>	<u>1,031</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,875	160,087	2,125,154	3,257,747	1,682,372	1,031
Total disbursements	<u>3,875</u>	<u>160,087</u>	<u>2,125,154</u>	<u>3,257,747</u>	<u>1,682,372</u>	<u>1,031</u>
Excess (deficiency) of receipts over disbursements	<u>(50)</u>	<u>(6,670)</u>	<u>64,634</u>	<u>(152,516)</u>	<u>(423,121)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 335</u>	<u>\$ 7,413</u>	<u>\$ 323,079</u>	<u>\$ 92,786</u>	<u>\$ 148,798</u>	<u>\$ -</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Innkeepers Tax	Homestead Credit Rebate	Ptrc 2008 Distribution	Excess Levy	Title III Sara	2008 Citizen Corpts Programs
Cash and investments - beginning	\$ 67,037	\$ 210,711	\$ 2,391	\$ 155,723	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	171,587	-	5,136	24,726	4,344	1,855
Total receipts	<u>171,587</u>	<u>-</u>	<u>5,136</u>	<u>24,726</u>	<u>4,344</u>	<u>1,855</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	145,595	-	7,669	-	-	4,433
Total disbursements	<u>145,595</u>	<u>-</u>	<u>7,669</u>	<u>-</u>	<u>-</u>	<u>4,433</u>
Excess (deficiency) of receipts over disbursements	<u>25,992</u>	<u>-</u>	<u>(2,533)</u>	<u>24,726</u>	<u>4,344</u>	<u>(2,578)</u>
Cash and investments - ending	<u>\$ 93,029</u>	<u>\$ 210,711</u>	<u>\$ (142)</u>	<u>\$ 180,449</u>	<u>\$ 4,344</u>	<u>\$ (2,578)</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Automotive Safety	Ctp Community Corrections	Excess Taxes	Fines & Forfeitures	Misc. Distributions	Settlement Fund
Cash and investments - beginning	\$ 2	\$ 10,651	\$ 459,833	\$ 10,164	\$ 82,363	\$ 332,802
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	63,831	50,377	795	421,501
Total receipts	-	-	63,831	50,377	795	421,501
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	61,533	59,126	-	758,555
Total disbursements	-	-	61,533	59,126	-	758,555
Excess (deficiency) of receipts over disbursements	-	-	2,298	(8,749)	795	(337,054)
Cash and investments - ending	\$ 2	\$ 10,651	\$ 462,131	\$ 1,415	\$ 83,158	\$ (4,252)

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sheriff Surety Bonds	Tax Sale Surplus	Tax Sale Redemption	County Treasurer	County Clerk	County Recorder
Cash and investments - beginning	\$ 930	\$ 11,461	\$ (1,563)	\$ 4,326,778	\$ 774,199	\$ 21,434
Receipts:						
Taxes	-			-	-	-
Licenses and permits	-			-	-	-
Intergovernmental	-			-	-	-
Charges for services	-			-	-	-
Fines and forfeits	-			-	-	-
Other receipts	290	1,180,091	165,779	66,901,661	13,033,738	194,367
Total receipts	<u>290</u>	<u>1,180,091</u>	<u>165,779</u>	<u>66,901,661</u>	<u>13,033,738</u>	<u>194,367</u>
Disbursements:						
Personal services	-			-	-	-
Supplies	-			-	-	-
Other services and charges	-			-	-	-
Debt service - principal and interest	-			-	-	-
Capital outlay	-			-	-	-
Other disbursements	-	457,349	361,287	68,876,154	13,273,609	191,576
Total disbursements	<u>-</u>	<u>457,349</u>	<u>361,287</u>	<u>68,876,154</u>	<u>13,273,609</u>	<u>191,576</u>
Excess (deficiency) of receipts over disbursements	<u>290</u>	<u>722,742</u>	<u>(195,508)</u>	<u>(1,974,493)</u>	<u>(239,871)</u>	<u>2,791</u>
Cash and investments - ending	<u>\$ 1,220</u>	<u>\$ 734,203</u>	<u>\$ (197,071)</u>	<u>\$ 2,352,285</u>	<u>\$ 534,328</u>	<u>\$ 24,225</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sheriff Cash Book	Inmate Trust	Sheriff Commissary	Sheriff Food Account	Sheriff Pension	Totals
Cash and investments - beginning	\$ -	\$ 8,461	\$ 68,519	\$ 26,861	\$ 6,519,064	\$ 27,493,024
Receipts:						
Taxes	-	-	-	-	-	71,497,794
Licenses and permits	-	-	-	-	-	38,966
Intergovernmental	-	-	-	-	-	15,209,296
Charges for services	-	-	-	-	-	1,194,412
Fines and forfeits	-	-	-	-	-	398,435
Other receipts	1,365,475	286,566	241,982	341,953	670,194	101,768,731
Total receipts	<u>1,365,475</u>	<u>286,566</u>	<u>241,982</u>	<u>341,953</u>	<u>670,194</u>	<u>190,107,634</u>
Disbursements:						
Personal services	-	-	-	-	-	10,393,568
Supplies	-	-	-	-	-	3,405,265
Other services and charges	-	-	-	-	-	9,378,025
Debt service - principal and interest	-	-	-	-	-	8,324
Capital outlay	-	-	-	-	-	8,640,990
Other disbursements	1,365,475	290,630	228,882	367,956	438,748	154,783,806
Total disbursements	<u>1,365,475</u>	<u>290,630</u>	<u>228,882</u>	<u>367,956</u>	<u>438,748</u>	<u>186,609,978</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(4,064)</u>	<u>13,100</u>	<u>(26,003)</u>	<u>231,446</u>	<u>3,497,656</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 4,397</u>	<u>\$ 81,619</u>	<u>\$ 858</u>	<u>\$ 6,750,510</u>	<u>\$ 30,990,680</u>

SHELBY COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The County has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Courthouse Annex Addendum	\$ 1,705,000	\$ 623,000
911 Countywide Communications Network	2,561,709	378,759
Notes and loans payable	<u>235,797</u>	<u>54,141</u>
Total governmental activities debt	<u>\$ 4,502,506</u>	<u>\$ 1,055,900</u>

SHELBY COUNTY
OTHER REPORT(S)

The annual report presented herein was prepared in addition to other official report(s) prepared for the individual County office(s) listed below:

County Auditor
County Treasurer

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

Compliance

We have audited the compliance of Shelby County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2010. The County's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2010.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the County's management, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 13, 2011

SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575	10VAPR163 09VA134	\$ 24,046 <u>13,514</u>
Total for program			<u>37,560</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to Units of Local Government	16.804	2009-SB-B9-1884	<u>571</u>
Total for federal grantor agency			<u>38,131</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Right of Way Engineering Right of Way Services	20.205	STP8073(2) STP8073(4)	45,600 <u>264,042</u>
Total for cluster			<u>309,642</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Big City/Big County Seat Belt Enforcement program	20.600	K8-2010-03-03-27	<u>18,000</u>
Alcohol Traffic Safety and Drunk Driving Prevention Grants DUI Task Force Enforcement	20.601	PT-10-04-04-38	<u>7,300</u>
Total for cluster			<u>25,300</u>
Total for federal grantor agency			<u>334,942</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation Adult Protective Services	93.041	73-08-PV-1245-03	<u>64,574</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (continued)</u>			
Pass-Through Indiana Department of Health Public Health Emergency Preparedness	93.069	H1N1 172-66 BPRS 172-3 BPRS 172-4	72,972 10,000 <u>19,689</u>
Total for program			<u>102,661</u>
Drug-Free Communities Support Program Grants Youth Substance Abuse Prevention Project	93.276	1H79SP014792-01	<u>122,435</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement	93.563		
County Clerk of the Court's Expenditures			33,961
County Prosecutor's Expenditures			111,613
Collection Incentives			76,961
Indirect Costs			<u>33,902</u>
Total for program			<u>256,437</u>
ARRA - Child Support Enforcement	93.563		
ARRA - Child Support Enforcement			<u>27,879</u>
Total for federal grantor agency			<u>573,986</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Cluster			
Citizens Corp	97.053		<u>1,854</u>
Total for cluster			<u>1,854</u>
Emergency Management Performance Grants	97.042		<u>19,270</u>
State Homeland Security Program	97.073		<u>4,052</u>
Total for federal grantor agency			<u>25,176</u>
Total federal awards expended			<u>\$ 972,235</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

SHELBY COUNTY
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FINDING 2010-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the County related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the County's audited financial statements and then determining how those identified risks should be managed. The County has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SHELBY COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

None reported.



AMY L. GLACKMAN
SHELBY COUNTY
AUDITOR

25 W Polk Street Room 104, Shelbyville, IN 46176
Phone: (317) 392-6310 Fax: (317) 392-6382

July 13, 2011

To Whom It May Concern

RE: Corrective Action Plan

Finding Number: 2010-1

Auditee Contact Person: Amy Glackman
Title: County Auditor
Phone: 317-392-6310

Corrective Action Plan

We have reviewed with the State Auditor the Findings of our Audit and will work with all departments in fixing these issues.

If you need any further information or assistance please feel free to contact me.

Thank You,

A handwritten signature in cursive script that reads "Amy L. Glackman".

Amy L. Glackman
Shelby County Auditor

SHELBY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2010, with Amy L. Glackman, Auditor; Tom Debaun, President of the County Council; and Tony Newton, President of the Board of County Commissioners. Our audit disclosed no material items that warrant comment at this time.