

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

AUDIT REPORT

OF

CITY OF SHELBYVILLE

SHELBY COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
08/18/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rodney Meyerholtz	01-01-08 to 12-31-11
Mayor	Scott Furgeson	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Scott Furgeson	01-01-08 to 12-31-11
President of the Common Council	Richard Fero Rob Nolley	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of Wastewater Utility	Bradley Fix	01-01-10 to 12-31-11
Utility Office Manager	Sharon Bernard	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CITY OF SHELBYVILLE, SHELBY COUNTY, INDIANA

We have audited the accompanying financial statement(s) of the City of Shelbyville (City), for the year ended December 31, 2010. These financial statement(s) are the responsibility of the City's management. Our responsibility is to express opinions on these financial statement(s) 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(s) are 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 City'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(s). 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(s).

As discussed in Note 1, the City prepares its financial statement(s) 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.

In our opinion, the financial statement(s) referred to above present fairly, in all material respects, the financial position and results of operations of the City 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 August 3, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards 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 City's financial statement(s). 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(s). Such information has been subjected to the auditing procedures applied in the audit of the financial statement(s) and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement(s) taken as a whole.

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

This report is intended solely for the information and use of the City's management, the Common Council, 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

August 3, 2011



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302 WEST WASHINGTON STREET
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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 THE CITY OF SHELBYVILLE, SHELBY COUNTY, INDIANA

We have audited the financial statement(s) of the City of Shelbyville (City), for the year ended December 31, 2010, and have issued our report thereon dated August 3, 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 City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion(s) on the financial statement(s), but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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(s) will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 City's financial statement(s) 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.

This report is intended solely for the information and use of the City's management, the Common Council, 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

August 3, 2011

FINANCIAL STATEMENT(S)

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

	Cash and Investments		Cash and Investments	
	01-01-10	Receipts	Disbursements	12-31-10
General Fund	\$ 124,772	\$ 14,298,719	\$ 13,867,377	\$ 556,114
Fairland TIF Fund	-	696,977	696,873	104
Excess Levy Fund	-	28,853	-	28,853
Motor Vehicle Highway	(15,760)	671,448	693,771	(38,083)
Local Roads And Streets	(11,032)	78,516	67,455	29
Aviation Fund	4,352	340,158	242,430	102,080
N.R. Donation Fund	40,247	27,531	24,127	43,651
Economic Development Commission Fund	2,521	-	-	2,521
N.R. Animal Shelter Fund	92,919	50,396	44,544	98,771
Community Economic Development Fund	100,221	69,662	83,774	86,109
Low Income Housing Fund	924	-	-	924
N.R. Police Continuing Education	7,964	19,758	18,372	9,350
N.R. Unsafe Building Fund	961	-	-	961
Riverboat Wagering Tax Fund	313,617	152,320	465,937	-
Drug Free Community Fund	1,570	12,573	7,841	6,302
Parks Department	4,682	1,716,033	1,533,458	187,257
N.R. Capital Ambulance Fund	6,007	10,000	-	16,007
Arson Investigation Fund	10	-	-	10
Rainy Day Fund	175,611	367,562	543,173	-
N.R. Police Training	303	-	-	303
N.R. Build Indiana Fund	405	-	-	405
Dare Fund	5,425	17,538	19,667	3,296
Kroger TIF Fund	154,567	311,349	73,100	392,816
Wal-Mart TIF Fund	137,992	581,738	299,075	420,655
N.R. Park Operating	385,539	273,807	259,931	399,415
Industrial Development Fund	129	-	-	129
Water & Light Fund	496	502,523	546,337	(43,318)
N.R. Nuisance Fund	8,145	122,514	45,425	85,234
N.R. Aquatic Center Fund	262,916	164,825	233,468	194,273
Impaired Driving Fund	2,663	6,604	8,452	815
N.R. Plat Review Fee Fund	48,246	6,000	785	53,461
N.R. Sanitary Sewer Fund	5,000	-	-	5,000
N.R. Map Fund	539	-	395	144
Idgf-97-447-Fairland Road Fund	25,314	-	-	25,314
Fiber Technology Fund	2,831	-	4,661	(1,830)
Cdbg-Lof-#88-016 Fund	1,526	-	-	1,526
EDIT Fund	1,436,898	2,287,515	1,920,771	1,803,642
Police In-Car Computer Fund	-	76,513	77,368	(855)
Knauf TIF Depreciation Fund	961,094	7,678	300	968,472
N.R. Park Development Fund	18,535	39,376	54,033	3,878
Annie Kent Trust Fund	1,299	20	-	1,319
Police Auction Fund	4,066	-	-	4,066
Redevelopment Authority A' Project'	8,380	4	8,384	-
Redevelopment Authority B' Project'	64	-	64	-
Knauf TIF Fund	1,452,649	601,233	803,716	1,250,166
Racino Wagering Fee Fund	1,356,405	2,908,980	259,769	4,005,616
Pool Debt Service Fund	3	54,485	54,488	-
2006 Park Project Debt Fund	27,758	464,214	321,868	170,104
EDIT Bond Fund	5,732	192,024	191,975	5,781
EDIT Debt Service Fund	247,224	2,025	350	248,899
Fire Station Bond Fund	29,829	573,208	444,900	158,137
Knauf Sinking Fund	364,783	2,241	366,975	49
Cumulative Capital Development	368	498,112	323,981	174,499
Cumulative Capital Improvement	4,117	59,898	48,266	15,749
Eidt Bond Sewer Construction Fund	538,631	4,413	-	543,044
Cumulative Thoroughfare Fund	15	892,693	1,846,121	(953,413)
Pool Construction Fund	3,183	9	263	2,929
Progress Parkway Construction Fund	18,186	313,234	220,991	110,429
River Road Construction Fund	238,031	112	-	238,143
2006 Park Project Construction Fund	2,179	-	2,179	-
Downtown Revitalization Fund	54,346	31,956	80,518	5,784
Employee Insurance Fund	64,804	1,091,987	1,155,737	1,054
Employer Insurance Fund	176,480	2,609,783	2,647,752	138,511
Police Pension Fund	463,543	1,001,812	526,557	938,798
Fire Pension Fund	404,761	571,123	380,147	595,737
Indiana Firefighters Pension Fund	32,667	159,180	157,820	34,027
Indiana Police Pension Fund	27,223	133,310	130,152	30,381
Belaire Shopping Center Escrow	-	636,415	609,642	26,773
Payroll Clearing Fund	19,456	10,937,557	10,937,434	19,579
PERF Fund	2,233	8,458	6,289	4,402
Barrett Law Fund	4,853	-	-	4,853
Brownfield Grant Fund	-	-	314	(314)
Animal Shelter Endowment	26,100	-	-	26,100
Aviation Development Fund	784,658	269,209	757,296	296,571
Certified Technology Park Fund	407,455	11,801	122,028	297,228
Stormwater Operating Fund	1,236,638	1,030,660	906,484	1,360,814
Stormwater Sinking Fund	11,470	422,787	422,161	12,096
Stormwater Depreciation Fund	523,460	4,289	3,500	524,249
Stormwater Construction Fund	622,165	954	31,990	591,129
Wastewater Operating Fund	(616,854)	3,344,449	3,436,782	(709,187)
Wastewater Sinking Fund	21,622	939,721	938,262	23,081
Wastewater Depreciation Fund	740,504	6,067	725	745,846
Wastewater Construction	3,512	-	-	3,512
Wastewater Improvement Fund	2,304,324	30,025	-	2,334,349
Wastewater PERF Fund	607	8,952	6,453	3,106
Totals	\$ 15,927,078	\$ 52,755,886	\$ 49,985,233	\$ 18,697,731

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

CITY OF SHELBYVILLE
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the City (primary government), and does not include financial information for any of the City'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 City (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 City.

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

CITY OF SHELBYVILLE
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 City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF SHELBYVILLE
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 City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

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

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial 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 City 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 City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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:

CITY OF SHELBYVILLE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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

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. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

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

Plan Description

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

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

PERF 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:

CITY OF SHELBYVILLE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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

Funding Policy

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

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

	General Fund	Fairland Tif Fund	Excess Levy Fund	Motor Vehicle Highway	Local Roads And Streets	Aviation Fund	N.R. Donation Fund
Cash and investments - beginning	\$ 124,772	\$ -	\$ -	\$ (15,760)	\$ (11,032)	\$ 4,352	\$ 40,247
Receipts:							
Taxes	6,713,937	696,977	28,853	-	-	-	-
Licenses and permits	86,186	-	-	-	-	-	-
Intergovernmental	4,164,365	-	-	666,978	78,516	26,775	-
Charges for services	1,695,455	-	-	3,225	-	309,958	-
Fines and forfeits	22,906	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,615,870	-	-	1,245	-	3,425	27,531
Total receipts	<u>14,298,719</u>	<u>696,977</u>	<u>28,853</u>	<u>671,448</u>	<u>78,516</u>	<u>340,158</u>	<u>27,531</u>
Disbursements:							
Personal services	10,316,537	-	-	519,584	-	131,990	-
Supplies	427,328	-	-	84,349	-	23,307	-
Other services and charges	1,659,166	-	-	82,963	-	87,133	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	13,554	-	-	6,875	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,450,792	696,873	-	-	67,455	-	24,127
Total disbursements	<u>13,867,377</u>	<u>696,873</u>	<u>-</u>	<u>693,771</u>	<u>67,455</u>	<u>242,430</u>	<u>24,127</u>
Excess (deficiency) of receipts over disbursements	<u>431,342</u>	<u>104</u>	<u>28,853</u>	<u>(22,323)</u>	<u>11,061</u>	<u>97,728</u>	<u>3,404</u>
Cash and investments - ending	<u>\$ 556,114</u>	<u>\$ 104</u>	<u>\$ 28,853</u>	<u>\$ (38,083)</u>	<u>\$ 29</u>	<u>\$ 102,080</u>	<u>\$ 43,651</u>

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

	Economic Development Commission Fund	N.R. Animal Shelter Fund	Community Economic Development Fund	Low Income Housing Fund	N.R. Police Continuing Education	N.R. Unsafe Building Fund	Riverboat Wagering Tax Fund
Cash and investments - beginning	\$ 2,521	\$ 92,919	\$ 100,221	\$ 924	\$ 7,964	\$ 961	\$ 313,617
Receipts:							
Taxes	-	-	61,008	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	152,320
Charges for services	-	49,561	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	835	8,654	-	19,758	-	-
Total receipts	-	50,396	69,662	-	19,758	-	152,320
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	44,544	83,774	-	18,372	-	465,937
Total disbursements	-	44,544	83,774	-	18,372	-	465,937
Excess (deficiency) of receipts over disbursements	-	5,852	(14,112)	-	1,386	-	(313,617)
Cash and investments - ending	\$ 2,521	\$ 98,771	\$ 86,109	\$ 924	\$ 9,350	\$ 961	\$ -

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

	Drug Free Community Fund	Parks Department	N.R. Capital Ambulance Fund	Arson Investigation Fund	Senior Citizens Fund	Rainy Day Fund	N.R. Police Training
Cash and investments - beginning	\$ 1,570	\$ 4,682	\$ 6,007	\$ 10	\$ -	\$ 175,611	\$ 303
Receipts:							
Taxes	-	1,565,760	-	-	-	367,562	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	12,573	138,318	-	-	-	-	-
Charges for services	-	8,995	10,000	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	2,960	-	-	-	-	-
Total receipts	<u>12,573</u>	<u>1,716,033</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>367,562</u>	<u>-</u>
Disbursements:							
Personal services	-	832,120	-	-	-	-	-
Supplies	-	68,568	-	-	-	-	-
Other services and charges	-	352,365	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	7,841	280,405	-	-	-	543,173	-
Total disbursements	<u>7,841</u>	<u>1,533,458</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>543,173</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,732</u>	<u>182,575</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>(175,611)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 6,302</u>	<u>\$ 187,257</u>	<u>\$ 16,007</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303</u>

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

	N.R. Build Indiana Fund	Dare Fund	Kroger Tif Fund	Wal-Mart Tif Fund	N.R.Park Operating	Industrial Development Fund	Water & Light Fund
Cash and investments - beginning	\$ 405	\$ 5,425	\$ 154,567	\$ 137,992	\$ 385,539	\$ 129	\$ 496
Receipts:							
Taxes	-	-	309,677	580,112	-	-	462,670
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	39,853
Charges for services	-	-	-	-	273,807	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	17,538	1,672	1,626	-	-	-
Total receipts	-	17,538	311,349	581,738	273,807	-	502,523
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	416,337
Debt service - principal and interest	-	-	73,100	299,075	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	19,667	-	-	259,931	-	130,000
Total disbursements	-	19,667	73,100	299,075	259,931	-	546,337
Excess (deficiency) of receipts over disbursements	-	(2,129)	238,249	282,663	13,876	-	(43,814)
Cash and investments - ending	\$ 405	\$ 3,296	\$ 392,816	\$ 420,655	\$ 399,415	\$ 129	\$ (43,318)

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

	N.R. Nuisance Fund	N.R. Aquatic Center Fund	Impaired Driving Fund	N.R. Plat Review Fee Fund	N.R.Sanitary Sewer Fund	N.R. Map Fund	N.R.Sister City Fund
Cash and investments - beginning	\$ 8,145	\$ 262,916	\$ 2,663	\$ 48,246	\$ 5,000	\$ 539	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	6,604	-	-	-	-
Charges for services	-	148,109	-	-	-	-	-
Fines and forfeits	-	-	-	6,000	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	122,514	16,716	-	-	-	-	-
Total receipts	122,514	164,825	6,604	6,000	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	45,425	233,468	8,452	785	-	395	-
Total disbursements	45,425	233,468	8,452	785	-	395	-
Excess (deficiency) of receipts over disbursements	77,089	(68,643)	(1,848)	5,215	-	(395)	-
Cash and investments - ending	\$ 85,234	\$ 194,273	\$ 815	\$ 53,461	\$ 5,000	\$ 144	\$ -

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

	Idgf-97-447-Fairland Road Fund	Fiber Technology Fund	Cdbg-Lof-#88-016 Fund	Edit Fund	Police In-Car Computer Fund	Knauf Tif Depreciation Fund	N.R. Park Development Fund
Cash and investments - beginning	\$ 25,314	\$ 2,831	\$ 1,526	\$ 1,436,898	\$ -	\$ 961,094	\$ 18,535
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,085,893	76,513	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	1,201,622	-	7,678	39,376
Total receipts	-	-	-	2,287,515	76,513	7,678	39,376
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	4,661	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	77,368	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	1,920,771	-	300	54,033
Total disbursements	-	4,661	-	1,920,771	77,368	300	54,033
Excess (deficiency) of receipts over disbursements	-	(4,661)	-	366,744	(855)	7,378	(14,657)
Cash and investments - ending	\$ 25,314	\$ (1,830)	\$ 1,526	\$ 1,803,642	\$ (855)	\$ 968,472	\$ 3,878

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

	Blue River Park Ban Fund	Annie Kent Trust Fund	Police Auction Fund	Redevelopment Authoirty A" Project"	Redevelopment Authority B" Project"	Knauf Tif Fund	Racino Wagering Fee Fund
Cash and investments - beginning	\$ -	\$ 1,299	\$ 4,066	\$ 8,380	\$ 64	\$ 1,452,649	\$ 1,356,405
Receipts:							
Taxes	-	-	-	-	-	600,772	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	2,892,281
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	20	-	4	-	461	16,699
Total receipts	-	20	-	4	-	601,233	2,908,980
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	8,384	64	803,716	259,769
Total disbursements	-	-	-	8,384	64	803,716	259,769
Excess (deficiency) of receipts over disbursements	-	20	-	(8,380)	(64)	(202,483)	2,649,211
Cash and investments - ending	\$ -	\$ 1,319	\$ 4,066	\$ -	\$ -	\$ 1,250,166	\$ 4,005,616

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

	Pool Debt Service Fund	2006 Park Project Debt Fund	Edit Bond Fund	Edit Debt Service Fund	Fire Station Bond Fund	Knauf Sinking Fund	Cumulative Capital Development
Cash and investments - beginning	\$ 3	\$ 27,758	\$ 5,732	\$ 247,224	\$ 29,829	\$ 364,783	\$ 368
Receipts:							
Taxes	48,319	427,531	-	-	526,676	-	278,979
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	6,166	36,675	-	-	45,300	-	25,177
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	8	192,024	2,025	1,232	2,241	193,956
Total receipts	54,485	464,214	192,024	2,025	573,208	2,241	498,112
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	321,868	191,975	-	444,900	366,975	-
Capital outlay	-	-	-	-	-	-	265,981
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	54,488	-	-	350	-	-	58,000
Total disbursements	54,488	321,868	191,975	350	444,900	366,975	323,981
Excess (deficiency) of receipts over disbursements	(3)	142,346	49	1,675	128,308	(364,734)	174,131
Cash and investments - ending	\$ -	\$ 170,104	\$ 5,781	\$ 248,899	\$ 158,137	\$ 49	\$ 174,499

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

	Cumulative Capital Improvement	Eidt Bond Sewer Construction Fund	Cumulative Thoroughfare Fund	Pool Construction Fund	Progress Parkway Construction Fund	River Road Construction Fund	Fire Department Construction Fund
Cash and investments - beginning	\$ 4,117	\$ 538,631	\$ 15	\$ 3,183	\$ 18,186	\$ 238,031	\$ -
Receipts:							
Taxes	-	-	177,631	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	52,560	-	18,189	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	7,338	4,413	696,873	9	313,234	112	-
Total receipts	59,898	4,413	892,693	9	313,234	112	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	48,266	-	-	-	-	-	-
Debt service - principal and interest	-	-	348,260	-	-	-	-
Capital outlay	-	-	-	-	220,991	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	1,497,861	263	-	-	-
Total disbursements	48,266	-	1,846,121	263	220,991	-	-
Excess (deficiency) of receipts over disbursements	11,632	4,413	(953,428)	(254)	92,243	112	-
Cash and investments - ending	\$ 15,749	\$ 543,044	\$ (953,413)	\$ 2,929	\$ 110,429	\$ 238,143	\$ -

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

	2006 Park Project Construction Fund	Downtown Revitalization Fund	Employee Insurance Fund	Employer Insurance Fund	Police Pension Fund	Fire Pension Fund	Indiana Firefighters Pension Fund
Cash and investments - beginning	\$ 2,179	\$ 54,346	\$ 64,804	\$ 176,480	\$ 463,543	\$ 404,761	\$ 32,667
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	31,956	-	-	997,640	567,723	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	1,091,987	2,609,783	4,172	3,400	159,180
Total receipts	-	31,956	1,091,987	2,609,783	1,001,812	571,123	159,180
Disbursements:							
Personal services	-	-	-	-	521,346	363,340	157,820
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	5,211	16,807	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	2,179	80,518	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	1,155,737	2,647,752	-	-	-
Total disbursements	2,179	80,518	1,155,737	2,647,752	526,557	380,147	157,820
Excess (deficiency) of receipts over disbursements	(2,179)	(48,562)	(63,750)	(37,969)	475,255	190,976	1,360
Cash and investments - ending	\$ -	\$ 5,784	\$ 1,054	\$ 138,511	\$ 938,798	\$ 595,737	\$ 34,027

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

	Indiana Police Pension Fund	Belaire Shopping Center Escrow	Payroll Clearing Fund	Perf Fund	Barrett Law Fund	Animal Shelter Endowment	Payroll Clearing Fund
Cash and investments - beginning	\$ 27,223	\$ -	\$ 19,456	\$ 2,233	\$ 4,853	\$ 26,100	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	133,310	636,415	10,937,557	8,458	-	-	-
Total receipts	<u>133,310</u>	<u>636,415</u>	<u>10,937,557</u>	<u>8,458</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	130,152	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	609,642	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	10,937,434	6,289	-	-	-
Total disbursements	<u>130,152</u>	<u>609,642</u>	<u>10,937,434</u>	<u>6,289</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,158</u>	<u>26,773</u>	<u>123</u>	<u>2,169</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 30,381</u>	<u>\$ 26,773</u>	<u>\$ 19,579</u>	<u>\$ 4,402</u>	<u>\$ 4,853</u>	<u>\$ 26,100</u>	<u>\$ -</u>

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

	Brownfield Grant Fund	Aviation Development Fund	Certified Technology Park Fund	Stormwater Operating Fund	Stormwater Sinking Fund	Stormwater Depreciation Fund	Stormwater Construction Fund
Cash and investments - beginning	\$ -	\$ 784,658	\$ 407,455	\$ 1,236,638	\$ 11,470	\$ 523,460	\$ 622,165
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	175,419	-	860,503	-	-	-
Other receipts	-	93,790	11,801	170,157	422,787	4,289	954
Total receipts	-	269,209	11,801	1,030,660	422,787	4,289	954
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	422,161	-	-
Capital outlay	-	757,259	-	37,543	-	-	31,990
Utility operating expenses	-	-	-	198,123	-	-	-
Other disbursements	314	37	122,028	670,818	-	3,500	-
Total disbursements	314	757,296	122,028	906,484	422,161	3,500	31,990
Excess (deficiency) of receipts over disbursements	(314)	(488,087)	(110,227)	124,176	626	789	(31,036)
Cash and investments - ending	\$ (314)	\$ 296,571	\$ 297,228	\$ 1,360,814	\$ 12,096	\$ 524,249	\$ 591,129

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

	Wastewater Operating Fund	Wastewater Sinking Fund	Wastewater Depreciation Fund	Wastewater Construction	Wastewater Improvement Fund	Wastewater Perf Fund	Totals
Cash and investments - beginning	\$ (616,854)	\$ 21,622	\$ 740,504	\$ 3,512	\$ 2,304,324	\$ 607	\$ 15,927,078
Receipts:							
Taxes	-	-	-	-	-	-	12,846,464
Licenses and permits	-	-	-	-	-	-	86,186
Intergovernmental	-	-	-	-	-	-	11,122,375
Charges for services	-	-	-	-	-	-	2,499,110
Fines and forfeits	-	-	-	-	-	-	28,906
Utility fees	3,171,987	-	-	-	-	-	4,207,909
Other receipts	172,462	939,721	6,067	-	30,025	8,952	21,964,936
Total receipts	<u>3,344,449</u>	<u>939,721</u>	<u>6,067</u>	<u>-</u>	<u>30,025</u>	<u>8,952</u>	<u>52,755,886</u>
Disbursements:							
Personal services	-	-	-	-	-	-	12,972,889
Supplies	-	-	-	-	-	-	603,552
Other services and charges	-	-	-	-	-	-	3,282,551
Debt service - principal and interest	-	938,262	-	-	-	-	3,406,576
Capital outlay	222,504	-	-	-	-	-	1,716,762
Utility operating expenses	1,796,024	-	-	-	-	-	1,994,147
Other disbursements	1,418,254	-	725	-	-	6,453	26,008,756
Total disbursements	<u>3,436,782</u>	<u>938,262</u>	<u>725</u>	<u>-</u>	<u>-</u>	<u>6,453</u>	<u>49,985,233</u>
Excess (deficiency) of receipts over disbursements	<u>(92,333)</u>	<u>1,459</u>	<u>5,342</u>	<u>-</u>	<u>30,025</u>	<u>2,499</u>	<u>2,770,653</u>
Cash and investments - ending	<u>\$ (709,187)</u>	<u>\$ 23,081</u>	<u>\$ 745,846</u>	<u>\$ 3,512</u>	<u>\$ 2,334,349</u>	<u>\$ 3,106</u>	<u>\$ 18,697,731</u>

CITY OF SHELBYVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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.

General infrastructure assets are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

	Ending Balance
City:	
Capital assets, not being depreciated:	
Land	\$ 6,654,861
Infrastructure	24,439,742
Buildings	16,974,917
Improvements other than buildings	8,012,336
Machinery and equipment	5,945,690
Total City capital assets	62,027,546
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 16,000.00
Buildings	25,076,862
Improvements other than buildings	14,089,681
Machinery and equipment	1,176,381
Total Wastewater Utility capital assets	40,358,924
Stormwater Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	14,635,743
Machinery and equipment	72,709
Total Stormwater Utility capital assets	14,708,452
Total capital assets	\$ 117,094,922

CITY OF SHELBYVILLE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2010

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Medtec Ambulances (2)	\$ 456,466	\$ 125,486
2008 Smeal Aerial Truck	577,661	88,350
Notes and loans payable	788,306	147,300
Bonds payable:		
General obligation bonds:		
Fire Station	4,850,000	439,049
Progress Parkway	3,810,000	352,360
Park Phase # 1	1,820,000	322,168
Park District	4,140,000	399,513
Revenue bonds:		
Northwest Sewer	1,560,000	191,975
2009 Redevelopment Bond	700,000	94,430
Kroger TIF	425,000	70,000
Wal-Mart TIF	1,725,000	166,983
Knauf TIF	9,070,000	589,550
Total governmental activities debt	<u>\$ 29,922,433</u>	<u>\$ 2,987,164</u>
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
Plant Expansion	\$ 4,380,000	\$ 582,320
River Road	4,120,578	355,034
Total Wastewater Utility	<u>8,500,578</u>	<u>937,354</u>
Stormwater Utility:		
Revenue bonds:		
Various Projects	2,580,000	264,293
River Road	1,819,422	156,764
Total Stormwater Utility	<u>4,399,422</u>	<u>421,057</u>
Total business-type activities debt	<u>\$ 12,900,000</u>	<u>\$ 1,358,411</u>

CITY OF SHELBYVILLE
AUDIT RESULT(S) AND COMMENT(S)

OVERDRAWN FUND BALANCES

The Water & Light Fund, Motor Vehicle Highway Fund, Fiber Technology Fund, Police In-Car Computer Fund, Cumulative Thoroughfare Fund, Brownfield Grant Fund, and Wastewater Operating Fund were overdrawn in 2010.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Cumulative Thoroughfare	2010	\$ 57,291
Fire Station Bond	2010	900

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

OFFICIAL BOND

The Clerk-Treasurer's official bond for the year 2010 was not for the required amount. The Clerk-Treasurer's bond for the period January 1, 2008, until a successor was duly qualified was for \$240,000. The current bond for the period January 1, 2011 through December 31, 2011, is also for \$240,000. Receipts of the City are such that the maximum bond amount of \$300,000 should be obtained for this office.

Indiana Code 5-4-1-18 (c) states in part:

". . . the fiscal bodies of the respective units shall fix the amount of the bond of city controllers, city clerk-treasurers, town clerk-treasurers, Barrett Law fund custodians, county treasurers, county sheriffs, circuit court clerks, township trustees, and conservancy district financial clerks as follows:

- (1) The amount must equal thirty thousand dollars (\$30,000) for each one million dollars (\$1,000,000) of receipts of the officer's office during the last complete fiscal year before the purchase of the bond, subject to subdivision (2).
- (2) The amount may not be less than thirty thousand dollars (\$30,000) nor more than three hundred thousand dollars (\$300,000) unless the fiscal body approves a greater amount for the officer or employee."

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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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 THE CITY OF SHELBYVILLE, SHELBY COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Shelbyville (City) 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 each of its major federal program(s) for the year ended December 31, 2010. The City's major federal program(s) are 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 each of its major federal program(s) is the responsibility of the City's management. Our responsibility is to express an opinion on the City'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 noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program(s) for the year ended December 31, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item(s) 2010-1.

Internal Control Over Compliance

Management of the City 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 City'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

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)

to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control 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. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item(s) 2010-1. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

This report is intended solely for the information and use of the City's management, the Common Council, 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

August 3, 2011

CITY OF SHELBYVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community & Rural Affairs Community Development Block Grants/Entitlement Grants	14.218	CF-08-125	\$ 30,000
Total for federal grantor agency			<u>30,000</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant Public Safety Partnership and Community Policing Grants	16.710	2009CKWX0607	77,368
Total for federal grantor agency			<u>77,368</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Grant Airport Improvement Program	20.106		
		3-18-0077-21	67,286
		3-18-0077-22	<u>17,983</u>
Total for program			<u>85,269</u>
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	SR-31181-A/Phase IIIA	175,442
ARRA - Highway Planning and Construction	20.205	SR-31181-A/Phase IIIB	<u>137,783</u>
Total for program			<u>313,225</u>
Total for federal grantor agency			<u>398,494</u>
Total federal awards expended			<u>\$ 505,862</u>

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

CITY OF SHELBYVILLE
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 City of Shelbyville (City) 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.

CITY OF SHELBYVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Construction funds. In the official records of the City, the Highway Planning and Construction Grant (both ARRA and non-ARRA funds), is accounted for in the Progress Parkway Construction Fund (Fund 420). The federal funds received from this grant award were posted under the heading "miscellaneous." (Only the federal grant receipts were posted under this heading.) The related grant disbursements were posted under the heading "Construction" which included other disbursements not reimbursed by the grant. The federal government requires ARRA grants to have separate accountability and transparency. The City was not aware of the requirement to account for the grant funds separately due to the lack of information provided by the state regarding this grant award. The state did not identify the ARRA and non-ARRA funding in the grant agreement, the grant award, or in the reimbursement request documents. Failure to maintain official records that track the source (receipts) and application (disbursements) of each grant individually may hinder the City's ability to provide transparency for the federal awards.

49 CFR§ 18.20 (b) states:

"The financial management systems of other grantees and subgrantees must meet the following standards:

- (1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.
- (3) Internal control. Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes."

We recommended the City establish controls to allow for grant funds to be separately identified and accounted for in the records.

CITY OF SHELBYVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

SHELBYVILLE



INDIANA

Office of the City Clerk-Treasurer

44 WEST WASHINGTON STREET 46176 • (317) 392-5103 • FAX (317) 392-5158

RODNEY L. MEYERHOLTZ

July 21, 2011

Corrective Action Plan

FEDERAL FINDING 2010-1 – SPECIAL TESTS AND PROVISIONS
Federal Agency: U.S. DEPARTMENT OF TRANSPORTATION
Federal Program: ARRA – HIGHWAY PLANNING AND CONSTRUCTION
CFDA Number: 20.205
Pass-through Entity: Indiana Department of Transportation

The City of Shelbyville was not aware that the Progress Parkway Construction project contained ARRA funds. The Indiana Department of Transportation did not notify the City that such dollars were being used to fund the construction of the parkway. In the future all road construction projects that are a collaborative effort between the City of Shelbyville and the State of Indiana will be carefully scrutinized to make sure that proper accounting standards may be initiated and carried out. These standards will include that all financial reporting will be done in an accurate and current manner, proper accounting records will show the source and application of the funds, and proper internal controls will be maintained for all future grants.

All future grants will be examined carefully by the Clerk-Treasurer and the particular department head associated with the grants to determine if all conditions of that grant are being adhered to.



Rodney L. Meyerholtz
Clerk-Treasurer

CITY OF SHELBYVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 3, 2011, with Scott Furgeson, Mayor; Rodney Meyerholtz, Clerk-Treasurer; and Carol Fowler, Deputy Clerk-Treasurer.