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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF SEYMOUR

JACKSON COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
11/30/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Fred D. Lewis	01-01-08 to 12-31-11
Mayor	Craig Luedeman	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Craig Luedeman	01-01-10 to 12-31-11
President of the Common Council	Michael T. Jordan	01-01-10 to 12-31-11



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF SEYMOUR, JACKSON COUNTY, INDIANA

We have examined the financial statement of the City of Seymour (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

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

As discussed in Note 1, the City prepares its financial statements 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 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 City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

October 4, 2011

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF SEYMOUR  
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	\$ 578,889	\$ 15,117,707	\$ 14,066,919	\$ 1,629,677
Police Department Petty Cash	150	-	-	150
Park And Recreation Petty Cash	2,000	-	1,500	500
Motor Vehicle Highway	268,024	686,913	874,594	80,343
Local Road And Street	250,531	80,472	52,813	278,190
Thoroughfare	120,430	-	3,082	117,348
Police Alcohol And Drug	3,232	-	-	3,232
Economic Development	10,404	-	-	10,404
Landfill Cost Nonreverting	123,789	256,735	287,159	93,365
Law Enforcement Training	30,742	19,559	35,507	14,794
Park And Recreation	60,943	1,455,074	840,333	675,684
Recycling	55,711	264,141	200,329	119,523
Seymour Community Center	14,712	5,290	2,407	17,595
Grant Holding	70,776	898,170	821,753	147,193
Rainy Day	506,206	418,155	527,969	396,392
Fire Department Hazardous Waste	18,080	9,404	5,084	22,400
D.A.R.E. Police	6,550	13,084	12,283	7,351
Police Seizure	55,654	37,834	32,605	60,883
Levy Excess	-	5,823,877	5,800,000	23,877
Park And Recreation Activity Nonreverting	83,058	9,423	1,107	91,374
Region XI	18,206	6,141	2,980	21,367
Police Soft Drink Nonreverting	331	2,018	1,875	474
Fire Department Educational Nonreverting	30,615	3,137	1,566	32,186
Department Of Public Works	4,014	3,646	2,264	5,396
Park And Recreation League Nonreverting	55,763	39,379	30,776	64,366
Electrical Licensing	14,555	2,550	4,155	12,950
Seymour Housing Rehabilitation	224	-	224	-
Cost Of Issuance	-	62,810	61,531	1,279
98 Construction Bond Interest	1,262	622,939	581,085	43,116
Cumulative Capital Development	378,471	414,289	528,358	264,402
Cumulative Fire Equipment	247,145	14,361	13,012	248,494
Cumulative Capital Improvement	128,079	52,999	-	181,078
Economic Development Income Tax	192,442	633,704	659,433	166,713
TIF Burkart Drive/I-65 Allocation	-	687,598	608,978	78,620
Police Pension	417,010	483,593	387,990	512,613
Fire Pension	501,719	429,717	499,048	432,388
Indiana Fire Pension	21,032	123,197	123,474	20,755

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

CITY OF SEYMOUR  
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
Indiana Police Pension	30,166	116,105	115,727	30,544
Reimburse Overpayments	2	-	-	2
City Share PERF	(38,158)	254,218	254,250	(38,190)
Payroll Federal Withholdings	22	821,117	821,117	22
Payroll State Withholdings	26,619	276,599	276,155	27,063
Payroll County Withholdings	13,947	122,493	122,408	14,032
Payroll Police And Fire Dues	-	14,052	14,052	-
Payroll United Fund	-	4,305	4,305	-
Payroll FICA	429	628,696	628,756	369
Payroll Depositories	1,346	3,894,567	3,893,143	2,770
Payroll Savings Plan	700	190,894	190,894	700
Net Payroll	(797)	2,084,094	2,085,500	(2,203)
Payroll Indiana Police Pension	(945)	116,236	116,105	(814)
Payroll Indiana Fire Pension	-	123,197	123,197	-
Judgments And Garnishments	(6,583)	136,547	136,827	(6,863)
AUL Deferred Comp	-	97,049	97,049	-
Payroll PERF	38,271	4,377	4,719	37,929
VSP Vision Insurance	(3,191)	19,845	20,697	(4,043)
Payroll Christmas Club	117	112,017	112,017	117
SIHO	30,680	1,681,450	1,686,922	25,208
Payroll Nationwide Retirement	-	56,410	56,410	-
Payroll Franklin Life	70	2,620	2,620	70
Payroll AFLAC	672	17,017	16,655	1,034
City Share Unemployment	622	27,883	27,884	621
Brokers National	(11,956)	80,360	84,566	(16,162)
Payroll Filing Fees	-	854	854	-
AFLAC Life Insurance	92	502	502	92
AUL Loan Payback	-	660	660	-
Dupont State Bank	-	19,785	19,785	-
SMSU Operating	6,460,038	13,451,437	12,339,602	7,571,873
SMSU Sinking	6,441	1,622,580	1,626,706	2,315
SMSU Improvement	69,497	47,418	47,000	69,915
SMSU Petty Cash	150	-	-	150
SMSU Debt Reserve	372,580	1,448	-	374,028
Totals	<u>\$ 11,261,580</u>	<u>\$ 54,704,748</u>	<u>\$ 51,999,277</u>	<u>\$ 13,967,051</u>

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

CITY OF SEYMOUR  
NOTES TO FINANCIAL INFORMATION

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, wastewater, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents 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 statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial 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.

License and permits which includes 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 license 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 SEYMOUR  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is 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 includes 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 receipts 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 which includes 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 includes 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 includes, but is 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 includes 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 SEYMOUR  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Capital outlay which includes all outflows for land, infrastructure, buildings, improvements, 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 SEYMOUR  
NOTES TO FINANCIAL INFORMATION  
(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 were 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 statute (IC 5-13-9) authorizes 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 Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the 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:

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

CITY OF SEYMOUR  
NOTES TO FINANCIAL INFORMATION  
(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. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

CITY OF SEYMOUR  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public 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:

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.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

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

	General	Police Department Petty Cash	Park And Recreation Petty Cash	Motor Vehicle Highway	Local Road And Street	Thoroughfare
Cash and investments - beginning	\$ 578,889	\$ 150	\$ 2,000	\$ 268,024	\$ 250,531	\$ 120,430
Receipts:						
Taxes	8,818,059	-	-	190,475	-	-
Licenses and permits	45,224	-	-	-	-	-
Intergovernmental	3,912,033	-	-	487,274	80,472	-
Charges for services	98,666	-	-	-	-	-
Fines and forfeits	22,957	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	2,220,768	-	-	9,164	-	-
Total receipts	<u>15,117,707</u>	<u>-</u>	<u>-</u>	<u>686,913</u>	<u>80,472</u>	<u>-</u>
Disbursements:						
Personal services	8,792,343	-	-	561,501	-	-
Supplies	440,577	-	-	262,634	-	-
Other services and charges	2,094,441	-	-	50,459	52,813	3,082
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,370	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	2,738,188	-	1,500	-	-	-
Total disbursements	<u>14,066,919</u>	<u>-</u>	<u>1,500</u>	<u>874,594</u>	<u>52,813</u>	<u>3,082</u>
Excess (deficiency) of receipts over disbursements	<u>1,050,788</u>	<u>-</u>	<u>(1,500)</u>	<u>(187,681)</u>	<u>27,659</u>	<u>(3,082)</u>
Cash and investments - ending	<u>\$ 1,629,677</u>	<u>\$ 150</u>	<u>\$ 500</u>	<u>\$ 80,343</u>	<u>\$ 278,190</u>	<u>\$ 117,348</u>

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

	Police Alcohol And Drug	Economic Development	Landfill Cost Nonreverting	Law Enforcement Training	Park And Recreation	Recycling
Cash and investments - beginning	\$ 3,232	\$ 10,404	\$ 123,789	\$ 30,742	\$ 60,943	\$ 55,711
Receipts:						
Taxes	-	-	-	-	1,238,082	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	119,107	-
Charges for services	-	-	255,585	12,814	54,584	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	1,150	6,745	43,301	264,141
Total receipts	-	-	256,735	19,559	1,455,074	264,141
Disbursements:						
Personal services	-	-	-	-	489,924	-
Supplies	-	-	-	-	177,365	200,329
Other services and charges	-	-	-	35,507	171,870	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	287,159	-	1,174	-
Total disbursements	-	-	287,159	35,507	840,333	200,329
Excess (deficiency) of receipts over disbursements	-	-	(30,424)	(15,948)	614,741	63,812
Cash and investments - ending	\$ 3,232	\$ 10,404	\$ 93,365	\$ 14,794	\$ 675,684	\$ 119,523

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

	Seymour Community Center	Grant Holding	Rainy Day	Fire Department Hazardous Waste	D.A.R.E. Police	Police Seizure
Cash and investments - beginning	\$ 14,712	\$ 70,776	\$ 506,206	\$ 18,080	\$ 6,550	\$ 55,654
Receipts:						
Taxes	-	478,662	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	201,268	418,155	-	-	-
Charges for services	5,290	-	-	-	-	-
Fines and forfeits	-	-	-	9,404	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	218,240	-	-	13,084	37,834
Total receipts	<u>5,290</u>	<u>898,170</u>	<u>418,155</u>	<u>9,404</u>	<u>13,084</u>	<u>37,834</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	5,084	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	821,753	517,969	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	2,407	-	10,000	-	12,283	32,605
Total disbursements	<u>2,407</u>	<u>821,753</u>	<u>527,969</u>	<u>5,084</u>	<u>12,283</u>	<u>32,605</u>
Excess (deficiency) of receipts over disbursements	<u>2,883</u>	<u>76,417</u>	<u>(109,814)</u>	<u>4,320</u>	<u>801</u>	<u>5,229</u>
Cash and investments - ending	<u>\$ 17,595</u>	<u>\$ 147,193</u>	<u>\$ 396,392</u>	<u>\$ 22,400</u>	<u>\$ 7,351</u>	<u>\$ 60,883</u>

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

	Levy Excess	Park And Recreation Activity Nonreverting	Region XI	Police Soft Drink Nonreverting	Fire Department Educational Nonreverting	Department Of Public Works
Cash and investments - beginning	\$ -	\$ 83,058	\$ 18,206	\$ 331	\$ 30,615	\$ 4,014
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	9,423	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	5,823,877	-	6,141	2,018	3,137	3,646
Total receipts	5,823,877	9,423	6,141	2,018	3,137	3,646
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	2,980	1,875	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	5,800,000	1,107	-	-	1,566	2,264
Total disbursements	5,800,000	1,107	2,980	1,875	1,566	2,264
Excess (deficiency) of receipts over disbursements	23,877	8,316	3,161	143	1,571	1,382
Cash and investments - ending	\$ 23,877	\$ 91,374	\$ 21,367	\$ 474	\$ 32,186	\$ 5,396

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

	Park And Recreation League Nonreverting	Electrical Licensing	Seymour Housing Rehabilitation	Cost Of Issuance	98 Construction Bond Interest	Cumulative Capital Development
Cash and investments - beginning	\$ 55,763	\$ 14,555	\$ 224	\$ -	\$ 1,262	\$ 378,471
Receipts:						
Taxes	-	-	-	-	567,744	386,744
Licenses and permits	-	2,550	-	-	-	-
Intergovernmental	-	-	-	-	55,146	27,545
Charges for services	39,379	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	62,810	49	-
Total receipts	<u>39,379</u>	<u>2,550</u>	<u>-</u>	<u>62,810</u>	<u>622,939</u>	<u>414,289</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	61,531	-	-
Debt service - principal and interest	-	-	-	-	413,085	-
Capital outlay	-	-	-	-	-	528,358
Utility operating expenses	-	-	-	-	-	-
Other disbursements	30,776	4,155	224	-	168,000	-
Total disbursements	<u>30,776</u>	<u>4,155</u>	<u>224</u>	<u>61,531</u>	<u>581,085</u>	<u>528,358</u>
Excess (deficiency) of receipts over disbursements	<u>8,603</u>	<u>(1,605)</u>	<u>(224)</u>	<u>1,279</u>	<u>41,854</u>	<u>(114,069)</u>
Cash and investments - ending	<u>\$ 64,366</u>	<u>\$ 12,950</u>	<u>\$ -</u>	<u>\$ 1,279</u>	<u>\$ 43,116</u>	<u>\$ 264,402</u>

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

	Cumulative Fire Equipment	Cumulative Capital Improvement	Economic Development Income Tax	TIF Burkart Drive/1-65 Allocation	Police Pension	Fire Pension
Cash and investments - beginning	\$ 247,145	\$ 128,079	\$ 192,442	\$ -	\$ 417,010	\$ 501,719
Receipts:						
Taxes	-	-	-	687,598	43,333	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	9,630	52,999	633,704	-	440,260	429,717
Charges for services	1,203	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	3,528	-	-	-	-	-
Total receipts	<u>14,361</u>	<u>52,999</u>	<u>633,704</u>	<u>687,598</u>	<u>483,593</u>	<u>429,717</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	13,012	-	659,433	608,978	387,990	499,048
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>13,012</u>	<u>-</u>	<u>659,433</u>	<u>608,978</u>	<u>387,990</u>	<u>499,048</u>
Excess (deficiency) of receipts over disbursements	<u>1,349</u>	<u>52,999</u>	<u>(25,729)</u>	<u>78,620</u>	<u>95,603</u>	<u>(69,331)</u>
Cash and investments - ending	<u>\$ 248,494</u>	<u>\$ 181,078</u>	<u>\$ 166,713</u>	<u>\$ 78,620</u>	<u>\$ 512,613</u>	<u>\$ 432,388</u>

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

	Indiana Fire Pension	Indiana Police Pension	Reimburse Overpayments	City Share PERF	Payroll Federal Withholdings	Payroll State Withholdings
Cash and investments - beginning	\$ 21,032	\$ 30,166	\$ 2	\$ (38,158)	\$ 22	\$ 26,619
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	123,197	116,105	-	254,218	821,117	276,599
Total receipts	123,197	116,105	-	254,218	821,117	276,599
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	123,474	115,727	-	254,250	821,117	276,155
Total disbursements	123,474	115,727	-	254,250	821,117	276,155
Excess (deficiency) of receipts over disbursements	(277)	378	-	(32)	-	444
Cash and investments - ending	\$ 20,755	\$ 30,544	\$ 2	\$ (38,190)	\$ 22	\$ 27,063

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

	Payroll County Withholdings	Payroll Police And Fire Dues	Payroll United Fund	Payroll FICA	Payroll Depositories	Payroll Savings Plan
Cash and investments - beginning	\$ 13,947	\$ -	\$ -	\$ 429	\$ 1,346	\$ 700
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	122,493	14,052	4,305	628,696	3,894,567	190,894
Total receipts	122,493	14,052	4,305	628,696	3,894,567	190,894
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	122,408	14,052	4,305	628,756	3,893,143	190,894
Total disbursements	122,408	14,052	4,305	628,756	3,893,143	190,894
Excess (deficiency) of receipts over disbursements	85	-	-	(60)	1,424	-
Cash and investments - ending	\$ 14,032	\$ -	\$ -	\$ 369	\$ 2,770	\$ 700

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

	Net Payroll	Payroll Indiana Police Pension	Payroll Indiana Fire Pension	Judgments And Garnishments	AUL Deferred Comp	Payroll PERF
Cash and investments - beginning	\$ (797)	\$ (945)	\$ -	\$ (6,583)	\$ -	\$ 38,271
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	2,084,094	116,236	123,197	136,547	97,049	4,377
Total receipts	2,084,094	116,236	123,197	136,547	97,049	4,377
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	2,085,500	116,105	123,197	136,827	97,049	4,719
Total disbursements	2,085,500	116,105	123,197	136,827	97,049	4,719
Excess (deficiency) of receipts over disbursements	(1,406)	131	-	(280)	-	(342)
Cash and investments - ending	\$ (2,203)	\$ (814)	\$ -	\$ (6,863)	\$ -	\$ 37,929

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

	VSP Vision Insurance	Payroll Christmas Club	SIHO	Payroll Nationwide Retirement	Payroll Franklin Life	Payroll AFLAC
Cash and investments - beginning	\$ (3,191)	\$ 117	\$ 30,680	\$ -	\$ 70	\$ 672
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	19,845	112,017	1,681,450	56,410	2,620	17,017
Total receipts	<u>19,845</u>	<u>112,017</u>	<u>1,681,450</u>	<u>56,410</u>	<u>2,620</u>	<u>17,017</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	20,697	112,017	1,686,922	56,410	2,620	16,655
Total disbursements	<u>20,697</u>	<u>112,017</u>	<u>1,686,922</u>	<u>56,410</u>	<u>2,620</u>	<u>16,655</u>
Excess (deficiency) of receipts over disbursements	<u>(852)</u>	<u>-</u>	<u>(5,472)</u>	<u>-</u>	<u>-</u>	<u>362</u>
Cash and investments - ending	<u>\$ (4,043)</u>	<u>\$ 117</u>	<u>\$ 25,208</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 1,034</u>

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

	City Share Unemployment	Brokers National	Payroll Filing Fees	AFLAC Life Insurance	AUL Loan Payback	Dupont State Bank
Cash and investments - beginning	\$ 622	\$ (11,956)	\$ -	\$ 92	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	27,883	80,360	854	502	660	19,785
Total receipts	27,883	80,360	854	502	660	19,785
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	27,884	84,566	854	502	660	19,785
Total disbursements	27,884	84,566	854	502	660	19,785
Excess (deficiency) of receipts over disbursements	(1)	(4,206)	-	-	-	-
Cash and investments - ending	\$ 621	\$ (16,162)	\$ -	\$ 92	\$ -	\$ -

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

	SMSU Operating	SMSU Sinking	SMSU Improvement	SMSU Petty Cash	SMSU Debt Reserve	Totals
Cash and investments - beginning	\$ 6,460,038	\$ 6,441	\$ 69,497	\$ 150	\$ 372,580	\$ 11,261,580
Receipts:						
Taxes	-	-	-	-	-	12,410,697
Licenses and permits	-	-	-	-	-	47,774
Intergovernmental	-	-	-	-	-	6,867,310
Charges for services	-	-	-	-	-	476,944
Fines and forfeits	-	-	-	-	-	32,361
Utility fees	5,252,746	-	-	-	-	5,252,746
Penalties	87,782	-	-	-	-	87,782
Other receipts	8,110,909	1,622,580	47,418	-	1,448	29,529,134
Total receipts	13,451,437	1,622,580	47,418	-	1,448	54,704,748
Disbursements:						
Personal services	-	-	-	-	-	9,843,768
Supplies	-	-	-	-	-	1,090,844
Other services and charges	-	-	-	-	-	4,638,164
Debt service - principal and interest	-	1,626,706	-	-	-	2,039,791
Capital outlay	2,003,447	-	-	-	-	3,872,897
Utility operating expenses	8,652,623	-	-	-	-	8,652,623
Other disbursements	1,683,532	-	47,000	-	-	21,861,190
Total disbursements	12,339,602	1,626,706	47,000	-	-	51,999,277
Excess (deficiency) of receipts over disbursements	1,111,835	(4,126)	418	-	1,448	2,705,471
Cash and investments - ending	\$ 7,571,873	\$ 2,315	\$ 69,915	\$ 150	\$ 374,028	\$ 13,967,051

CITY OF SEYMOUR  
 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.

	<u>Ending Balance</u>
<b>Other:</b>	
Capital assets, not being depreciated:	
Land	\$ 632,950
Buildings	8,549,412
Improvements other than buildings	3,374,582
Machinery and equipment	<u>9,042,464</u>
 Total other capital assets	 <u>21,599,408</u>
 <b>Wastewater Utility:</b>	
Capital assets, not being depreciated:	
Land	112,575
Buildings	28,468,712
Improvements other than buildings	5,840,742
Machinery and equipment	<u>1,929,748</u>
 Total Wastewater Utility capital assets	 <u>36,351,777</u>
 Total capital assets not being depreciated	 <u><u>\$ 57,951,185</u></u>

CITY OF SEYMOUR  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 Decemeber 31, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
Police station	\$ 3,685,000	\$ 431,263	98 Construction Bond Interest, Economic Development Income Tax
Notes and loans payable:			
Police software	90,686	32,365	Cumulative Capital Improvement
Trash trucks	841,859	226,492	Cumulative Capital Improvement, Landfill Cost Nonreverting
State revolving fund loan	15,356,296	1,618,276	SMSU Operating
Bonds payable:			
General obligation bonds:			
Refunding bonds of 2010	<u>1,905,000</u>	<u>202,325</u>	98 Construction Bond Interest
Total debt	<u>\$ 21,878,841</u>	<u>\$ 2,510,721</u>	

CITY OF SEYMOUR  
EXAMINATION RESULTS AND COMMENTS

***COLLECTION OF FINES FOR MOVING TRAFFIC VIOLATIONS***

As stated in the 2008 Examination Report (B35824) and the 2009 Annual Financial Report (B37083), the City collects fines for ordinance violations through an Ordinance Violations Bureau established in accordance with IC 33-36. If a citizen forgoes their right to a trial, the City collects the fine. There were instances where the City collected fines for moving traffic violations through the Ordinance Violations Bureau.

Indiana Code 36-1-6-3 states:

"(a) Certain ordinances may be enforced by a municipal corporation without proceeding in court through:

- (1) an admission of violation before the violations clerk under IC 33-36; or
- (2) administrative enforcement under subsection 9 of this chapter.

(b) Except as provided in subsection (a), a proceeding to enforce an ordinance must be brought in accordance with IC 34-28-5, section 4 or this chapter, or both.

(c) An ordinance defining a moving traffic violation may not be enforced under IC 33-36 and must be enforced in accordance with IC 34-28-5."

***CREDIT CARD POLICY***

As stated in the 2008 Examination Report (B35824) and the 2009 Annual Financial Report (B37083), employees of the City were allowed to use "City" credit cards to purchase items without an approved credit card policy. Employees of the City were still allowed to use "City" credit cards to purchase items during 2010 and the City still does not have credit card policy authorized through an ordinance or resolution.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

CITY OF SEYMOUR  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF SEYMOUR  
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2011, with Fred D. Lewis, Clerk-Treasurer, and Craig Luedeman, Mayor.