

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF
SHELBY COUNTY, INDIANA
January 1, 2011 to December 31, 2011



FILED
08/27/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Financial Statements:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	8-9
Notes to Financial Statement	10-14
Supplementary Information:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	16-35
Schedule of Payables and Receivables	36
Schedule of Leases and Debt	37
Other Reports	38
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	40-41
Schedule of Expenditures of Federal Awards	44
Notes to Schedule of Expenditures of Federal Awards	45
Schedule of Findings and Questioned Costs	46-47
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings	48
Corrective Action Plan	49
Exit Conference	50

SCHEDULE OF OFFICIALS

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



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

We have audited the accompanying financial statement of Shelby County (County), for the year ended December 31, 2011. This financial statement is the responsibility of the County's management. Our responsibility is to express an opinion on this financial statement based on our audit.

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

As discussed in Note 1, the County prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the County for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 31, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

STATE BOARD OF ACCOUNTS

July 31, 2012



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

We have audited the financial statement of Shelby County (County), for the year ended December 31, 2011, and have issued our report thereon dated July 31, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

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 THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statement is 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 County's management, Board of County Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 31, 2012

FINANCIAL STATEMENT

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

SHELBY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 1,084,834	\$ 11,058,097	\$ 10,773,574	\$ 1,369,357
Highway	1,540,073	3,438,277	3,462,742	1,515,608
Local Road And Street	2,280,343	419,936	34,781	2,665,498
Firearms Training	47,764	13,237	11,695	49,306
Health	138,018	334,254	440,126	32,146
Clerk's Records Perpetuation	99,083	17,998	8,964	108,117
Recorder's Enhanced Access Fund	5,007	1,606	4,499	2,114
Unsafe Building	1,300	-	-	1,300
Drainage Maintenance	493,882	86,340	81,731	498,491
Emergency Planning/Right To Know	27,738	22,470	8,379	41,829
Prosecutor Title IV-D	531	153	34	650
Extradition	78	-	-	78
Juvenile Probation Service	37,107	6,183	35,379	7,911
Recorder's Records Perpetuation	20,268	84,612	57,290	47,590
County Auditor Ineligible Homestead Deduction	-	5,993	-	5,993
Health Maintenance	62,319	59,297	25,000	96,616
Pretrial Diversion	221,285	28,938	14,136	236,087
Guardian Ad Litem/Court	3,176	8,404	9,565	2,015
Plat Book	22,669	11,480	3,000	31,149
Clerk I-V D Incentive 10-1-99	79,144	-	12,206	66,938
Suveyor's Corner Perpetuation	13,426	7,361	14,347	6,440
Jury Pay	33,337	7,080	4,574	35,843
Rainy Day	1,406,122	549	1,016,906	389,765
Inmate Medical	18,997	2,691	5,585	16,103
Disclosure/Assessor	1,526	3,755	3,402	1,879
Seized Assets	4	200	-	204
Identification Security Protection	21,102	13,085	5,841	28,346
Food And Beverage Tax	593,747	303,171	-	896,918
Pros IV-D Incentive 10-1-99	92,023	-	20,557	71,466
Shelby Co. Sex & Violent Offender	6,815	4,026	10,580	261
Cum Reassessment 2015	-	140,370	-	140,370
Prosecutor's ARRA Fund	-	11,553	-	11,553
Cumulative Capital Development	(256,818)	378,871	221,528	(99,475)
Cumulative Bridge	2,888,826	550,290	196,519	3,242,597
Congressional School Principal	17,421	-	17,421	-
City And Town Court Costs	58,454	17,336	65,589	10,201
Congressional School Interest	15,055	560	15,615	-
State Sales Disclosure Fee	335	3,715	3,465	585
Infraction Judgements	7,413	100,030	100,549	6,894
Inheritance Tax	323,079	728,933	832,688	219,324
Sheriff's Inmate Trust	4,397	264,168	261,973	6,592
Special Death Benefit	-	5,807	5,367	440
Education Plate Fees	-	806	806	-
Innkeepers Tax	93,029	171,591	135,189	129,431
FIT	-	358,410	358,410	-
Interstate Fees	-	488	-	488
CVET	-	181,191	181,191	-
Homestead Credit Rebate	210,711	234	-	210,945
County CAGIT	-	4,547,547	4,547,547	-
DLGF Homestead Property Data	-	2	-	2
County Wheel Tax	-	225,258	225,258	-
2008 Willow Park grant HMGP	-	466,771	396,977	69,794
CJI Equipment Grant	-	1,640	1,640	-
H1N1 172-68	-	14,295	14,295	-
Competitive EMA	-	3,634	3,036	598
2010 Foundation	-	3,540	3,540	-
CTP Funding	-	10,651	-	10,651
Education Fund (Recorder)	-	1,743	-	1,743
Court Reform Grant (Odyssey)	-	17,964	15,964	2,000
Health Dept. BHP Grant 172-2	-	4,996	-	4,996
Community Corrections	-	406,230	377,892	28,338
County Treasurer	2,352,285	1,832,319	2,352,285	1,832,319
Sheriff's Cash Book	-	5,759,891	5,759,891	-
Sheriff's Food Account	858	339,833	337,792	2,899
Sheriff Commissry	81,619	200,709	184,891	97,437
Sheriff's Pension	6,750,510	727,937	416,714	7,061,733
County Recorder	24,225	25,228	24,225	25,228
Clerk of Circuit Court	534,329	10,679,445	10,525,618	688,156
Title III SARA	4,344	-	4,344	-
Community Corrections Drug Free Coalition	1,200	2,000	3,200	-
EDIT	-	1,000,766	1,000,766	-
2010 Vaccination Grant	-	17,934	17,934	-
New Settlement	-	39,443,552	39,443,479	73
Donations/Sheriff Dept	18,792	-	3,366	15,426
Medical Assistance To Wards	101,814	-	-	101,814
Children With Special Health Needs	12,980	-	-	12,980
Sheriff's Continuning Education	3,824	4,809	4,049	4,584
Presecutor Donation	1,233	96	543	786
Law Enforcement	20,638	13,924	13,231	21,331
Work Release	17,566	12,715	8,617	21,664

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

SHELBY COUNTY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Welfare Hci	11,891	-	-	11,891
Project Income House Arrest	382,667	319,833	400,434	302,066
Cumulative Reassessment	360,190	5,474	298,496	67,168
Sheriff's Commissary	5,626	15,000	18,097	2,529
County Corrections	39,487	-	27,797	11,690
Build Indiana	193,498	-	-	193,498
Cri Grant - Health Dept	17,295	3,333	10,000	10,628
Adult Protective Services	35,991	85,157	41,968	79,180
Coroners Education	166	3,548	3,544	170
Operation Pull Over	263	-	-	263
Public Defender	17,898	30,817	34,150	14,565
Adult Probation Services	184,420	186,479	169,428	201,471
Act Juvenile Justice	6,715	-	-	6,715
93.041 Adult Protective Services 2	(49,603)	-	43,971	(93,574)
Assessment & Referral	79,213	98,393	69,197	108,409
Bail Alternative Building	44,543	2,356	-	46,899
Campaign Enforcement	200	-	-	200
Civil Process Fees	6,734	26,965	25,924	7,775
Community Corrections 2	86,866	432,974	485,908	33,932
Comprehensive Plan Emergency	16,477	-	-	16,477
County Drug Free Community Fund	60,709	73,003	60,709	73,003
County Share Edit	1,047,845	849,772	436,417	1,461,200
E-911	26,809	159,775	155,536	31,048
English Second Language	1,685	175	1,860	-
Informal Adjustment	6,958	9,078	5,482	10,554
Interstate Compact Fees	38	700	675	63
Madd Impact Fees	2,640	-	-	2,640
Mortgage Fees - State	375	3,586	3,593	368
Pro Bono Programs	14,506	4,831	14,266	5,071
Pros Law Enforcement	52,378	17,218	16,690	52,906
Public Preparedness	4,221	27,340	20,729	10,832
Sheriff Defibulator Donations	70	-	-	70
Sheriff Drug Free	2,159	18,619	15,194	5,584
Sheriff Range Fund	216	-	-	216
Sheriff Special Accident	12,678	1,780	259	14,199
Sheriff Training Fund	550	-	-	550
Sheriff's Restitution	10,407	32	-	10,439
Vending Machine	1,719	33	284	1,468
Racino Tax	-	3,342,057	3,342,057	-
Gal/Capta	2,500	-	-	2,500
Race-Gender Fairness	12,376	22,021	18,340	16,057
Drug Free Coalition	(12,028)	66,388	36,820	17,540
Tsf Drug Free Coalition	(9,292)	-	-	(9,292)
Victim Assistance	(15,874)	17,829	29,277	(27,322)
Dui Task Force	4,053	9,051	7,330	5,774
4-H Drug Free Grant Tfc	145	-	-	145
Victim Assist 2	(31,981)	6,105	29,808	(55,684)
Juvenile Intensive Sp	(241)	-	-	(241)
Jisp	8,720	-	-	8,720
Community Correction Juv	(2,250)	-	-	(2,250)
Homeland Security Computer Grant	(7)	-	-	(7)
Bcc Traffic Enorcement	3,574	16,967	18,999	1,542
Youth Substantance Abuse Provention P	(7,914)	106,236	108,141	(9,819)
Fbi Justice Funds	443	-	271	172
E-911 Land Line	7,928	361,505	51,421	318,012
Racino - County	4,593,146	3,979,081	5,638,066	2,934,161
Jabg Flow Through Grant Cc	808	29,567	-	30,375
H1N1 Vaccanation	492	-	-	492
Edward Byrne Memorial - Sheriff	252	-	-	252
Assessor Data Entry Fee	2,510	2,095	-	4,605
Hendricks Street Rental	6,457	9,775	1,085	15,147
Jail Debt	251,494	-	-	251,494
Cum. Courthouse	(52,011)	699,333	626,001	21,321
Gdif	194,643	72,206	56,771	210,078
Tindall Farm	195,631	59,953	43,489	212,095
Payroll	92,786	3,066,128	3,172,657	(13,743)
Payroll Withholding - Insurance	148,798	2,255,762	1,690,238	714,322
Ptrc 2008 Distribution	(142)	262	-	120
Excess Levy	180,449	-	-	180,449
2008 Citizen Coprts Programs	(2,578)	9,215	7,251	(614)
Automotive Safety	2	-	-	2
Ctp Community Corrections	10,651	1,735	-	12,386
Excess Taxes	462,131	25,674	15,446	472,359
Fines & Forfeitures	1,415	33,887	31,198	4,104
Misc. Distributions	620,290	429,449	769,847	279,892
Settlement Fund	(4,252)	124,623	124,623	(4,252)
Sheriff Surety Bonds	1,220	275	-	1,495
Totals	<u>\$ 30,990,681</u>	<u>\$ 101,742,425</u>	<u>\$ 102,328,041</u>	<u>\$ 30,405,065</u>

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

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

The accompanying financial statement presents the financial information for the County.

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 statement. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the County.

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

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

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

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).

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 statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

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

Note 5. Risk Management

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the County to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the County by recording as a disbursement any 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 Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the County authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

SHELBY COUNTY
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. County Police Retirement Plan

Plan Description

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

Funding Policy

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

C. County Police Benefit Plan

Plan Description

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

Funding Policy

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the County's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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 County which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the County. It is presented as intended by the County.

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Highway	Local Road And Street	Firearms Training	Health	Clerk's Records Perpetuation	Recorder's Enhanced Access Fund	Unsafe Building
Cash and investments - beginning	\$ 1,084,834	\$ 1,540,073	\$ 2,280,343	\$ 47,764	\$ 138,018	\$ 99,083	\$ 5,007	\$ 1,300
Receipts:								
Taxes	7,550,479	1,081,850	-	-	233,060	-	-	-
Licenses and permits	67,600	11,740	-	-	15,680	-	-	-
Intergovernmental	504,482	2,244,656	407,824	-	31,934	-	-	-
Charges for services	1,263,768	-	-	-	53,580	-	-	-
Fines and forfeits	315,676	-	-	-	-	-	-	-
Other receipts	1,356,092	100,031	12,112	13,237	-	17,998	1,606	-
Total receipts	<u>11,058,097</u>	<u>3,438,277</u>	<u>419,936</u>	<u>13,237</u>	<u>334,254</u>	<u>17,998</u>	<u>1,606</u>	<u>-</u>
Disbursements:								
Personal services	8,451,441	1,033,278	-	-	346,542	-	-	-
Supplies	647,695	1,916,210	-	9,030	12,566	-	-	-
Other services and charges	1,143,076	234,671	25,651	1,235	56,344	7,464	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	61,807	278,583	9,130	1,430	-	-	-	-
Other disbursements	469,555	-	-	-	24,674	1,500	4,499	-
Total disbursements	<u>10,773,574</u>	<u>3,462,742</u>	<u>34,781</u>	<u>11,695</u>	<u>440,126</u>	<u>8,964</u>	<u>4,499</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>284,523</u>	<u>(24,465)</u>	<u>385,155</u>	<u>1,542</u>	<u>(105,872)</u>	<u>9,034</u>	<u>(2,893)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,369,357</u>	<u>\$ 1,515,608</u>	<u>\$ 2,665,498</u>	<u>\$ 49,306</u>	<u>\$ 32,146</u>	<u>\$ 108,117</u>	<u>\$ 2,114</u>	<u>\$ 1,300</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Drainage Maintenance	Emergency Planning/Right To Know	Prosecutor Title IV-D	Extradition	Juvenile Probation Service	Recorder's Records Perpetuation	County Auditor Ineligible Homestead Deduction	Health Maintenance
Cash and investments - beginning	\$ 493,882	\$ 27,738	\$ 531	\$ 78	\$ 37,107	\$ 20,268	\$ -	\$ 62,319
Receipts:								
Taxes	86,340	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	57,813
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	22,470	153	-	6,183	84,612	5,993	1,484
Total receipts	<u>86,340</u>	<u>22,470</u>	<u>153</u>	<u>-</u>	<u>6,183</u>	<u>84,612</u>	<u>5,993</u>	<u>59,297</u>
Disbursements:								
Personal services	-	-	-	-	-	28,944	-	4,666
Supplies	-	6,265	-	-	4,022	-	-	20,274
Other services and charges	81,731	1,091	-	-	-	3,179	-	60
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	2,089	24,553	-	-
Other disbursements	-	1,023	34	-	29,268	614	-	-
Total disbursements	<u>81,731</u>	<u>8,379</u>	<u>34</u>	<u>-</u>	<u>35,379</u>	<u>57,290</u>	<u>-</u>	<u>25,000</u>
Excess (deficiency) of receipts over disbursements	<u>4,609</u>	<u>14,091</u>	<u>119</u>	<u>-</u>	<u>(29,196)</u>	<u>27,322</u>	<u>5,993</u>	<u>34,297</u>
Cash and investments - ending	<u>\$ 498,491</u>	<u>\$ 41,829</u>	<u>\$ 650</u>	<u>\$ 78</u>	<u>\$ 7,911</u>	<u>\$ 47,590</u>	<u>\$ 5,993</u>	<u>\$ 96,616</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Pretrial Diversion	Guardian Ad Litem/Court	Plat Book	Clerk I-V D Incentive 10-1-99	Suveryor's Corner Perpetuation	Jury Pay	Rainy Day	Inmate Medical
Cash and investments - beginning	\$ 221,285	\$ 3,176	\$ 22,669	\$ 79,144	\$ 13,426	\$ 33,337	\$ 1,406,122	\$ 18,997
Receipts:								
Taxes	-	-	-	-	-	-	549	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	11,480	-	-	-	-	-
Fines and forfeits	28,938	-	-	-	-	7,080	-	-
Other receipts	-	8,404	-	-	7,361	-	-	2,691
Total receipts	<u>28,938</u>	<u>8,404</u>	<u>11,480</u>	<u>-</u>	<u>7,361</u>	<u>7,080</u>	<u>549</u>	<u>2,691</u>
Disbursements:								
Personal services	-	-	-	-	13,279	-	5,305	-
Supplies	2,423	-	-	12,206	66	-	75,988	-
Other services and charges	11,533	9,565	3,000	-	1,002	-	915,313	5,585
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	20,300	-
Other disbursements	180	-	-	-	-	4,574	-	-
Total disbursements	<u>14,136</u>	<u>9,565</u>	<u>3,000</u>	<u>12,206</u>	<u>14,347</u>	<u>4,574</u>	<u>1,016,906</u>	<u>5,585</u>
Excess (deficiency) of receipts over disbursements	<u>14,802</u>	<u>(1,161)</u>	<u>8,480</u>	<u>(12,206)</u>	<u>(6,986)</u>	<u>2,506</u>	<u>(1,016,357)</u>	<u>(2,894)</u>
Cash and investments - ending	<u>\$ 236,087</u>	<u>\$ 2,015</u>	<u>\$ 31,149</u>	<u>\$ 66,938</u>	<u>\$ 6,440</u>	<u>\$ 35,843</u>	<u>\$ 389,765</u>	<u>\$ 16,103</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Disclosure/Assessor	Seized Assets	Identification Security Protection	Food And Beverage Tax	Pros IV-D Incentive 10-1-99	Shelby Co. Sex & Violent Offender	Cum Reassessment 2015	Prosecutor's ARRA Fund
Cash and investments - beginning	\$ 1,526	\$ 4	\$ 21,102	\$ 593,747	\$ 92,023	\$ 6,815	\$ -	\$ -
Receipts:								
Taxes	-	-	-	303,171	-	-	140,370	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	3,755	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	4,026	-	-
Other receipts	-	200	13,085	-	-	-	-	11,553
Total receipts	3,755	200	13,085	303,171	-	4,026	140,370	11,553
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	3,251	-	-	-
Other services and charges	3,402	-	-	-	6,849	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	5,841	-	-	89	-	-
Other disbursements	-	-	-	-	10,457	10,491	-	-
Total disbursements	3,402	-	5,841	-	20,557	10,580	-	-
Excess (deficiency) of receipts over disbursements	353	200	7,244	303,171	(20,557)	(6,554)	140,370	11,553
Cash and investments - ending	\$ 1,879	\$ 204	\$ 28,346	\$ 896,918	\$ 71,466	\$ 261	\$ 140,370	\$ 11,553

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cumulative Capital Development	Cumulative Bridge	Congressional School Principal	City And Town Court Costs	Congressional School Interest	State Sales Disclosure Fee	Infraction Judgements	Inheritance Tax
Cash and investments - beginning	\$ (256,818)	\$ 2,888,826	\$ 17,421	\$ 58,454	\$ 15,055	\$ 335	\$ 7,413	\$ 323,079
Receipts:								
Taxes	335,023	486,929	-	-	-	-	-	728,933
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	43,848	63,361	-	-	-	-	-	-
Charges for services	-	-	-	-	-	3,715	-	-
Fines and forfeits	-	-	-	17,336	-	-	100,030	-
Other receipts	-	-	-	-	560	-	-	-
Total receipts	<u>378,871</u>	<u>550,290</u>	<u>-</u>	<u>17,336</u>	<u>560</u>	<u>3,715</u>	<u>100,030</u>	<u>728,933</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	170,919	81,616	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	50,609	114,903	-	-	-	-	-	-
Other disbursements	-	-	17,421	65,589	15,615	3,465	100,549	832,688
Total disbursements	<u>221,528</u>	<u>196,519</u>	<u>17,421</u>	<u>65,589</u>	<u>15,615</u>	<u>3,465</u>	<u>100,549</u>	<u>832,688</u>
Excess (deficiency) of receipts over disbursements	<u>157,343</u>	<u>353,771</u>	<u>(17,421)</u>	<u>(48,253)</u>	<u>(15,055)</u>	<u>250</u>	<u>(519)</u>	<u>(103,755)</u>
Cash and investments - ending	<u>\$ (99,475)</u>	<u>\$ 3,242,597</u>	<u>\$ -</u>	<u>\$ 10,201</u>	<u>\$ -</u>	<u>\$ 585</u>	<u>\$ 6,894</u>	<u>\$ 219,324</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Sheriff's Inmate Trust	Special Death Benefit	Education Plate Fees	Innkeepers Tax	FIT	Interstate Fees	CVET	Homestead Credit Rebate
Cash and investments - beginning	\$ 4,397	\$ -	\$ -	\$ 93,029	\$ -	\$ -	\$ -	\$ 210,711
Receipts:								
Taxes	-	-	-	171,436	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	806	-	358,410	-	181,191	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	264,168	5,807	-	155	-	488	-	234
Total receipts	<u>264,168</u>	<u>5,807</u>	<u>806</u>	<u>171,591</u>	<u>358,410</u>	<u>488</u>	<u>181,191</u>	<u>234</u>
Disbursements:								
Personal services	-	-	-	26,400	-	-	-	-
Supplies	-	-	-	1,401	-	-	-	-
Other services and charges	-	-	-	38,013	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	69,375	-	-	-	-
Other disbursements	261,973	5,367	806	-	358,410	-	181,191	-
Total disbursements	<u>261,973</u>	<u>5,367</u>	<u>806</u>	<u>135,189</u>	<u>358,410</u>	<u>-</u>	<u>181,191</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,195</u>	<u>440</u>	<u>-</u>	<u>36,402</u>	<u>-</u>	<u>488</u>	<u>-</u>	<u>234</u>
Cash and investments - ending	<u>\$ 6,592</u>	<u>\$ 440</u>	<u>\$ -</u>	<u>\$ 129,431</u>	<u>\$ -</u>	<u>\$ 488</u>	<u>\$ -</u>	<u>\$ 210,945</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	County CAGIT	DLGF Homestead Property Data	County Wheel Tax	2008 Willow Park grant HMGP	CJI Equipment Grant	H1N1 172-68	Competitive EMA	2010 Foundation
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:								
Taxes	4,547,547	-	225,258	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	2	-	-	-	-	-	-
Other receipts	-	-	-	466,771	1,640	14,295	3,634	3,540
Total receipts	4,547,547	2	225,258	466,771	1,640	14,295	3,634	3,540
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	14,295	2,268	945
Other services and charges	-	-	-	6,925	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,640	-	768	2,595
Other disbursements	4,547,547	-	225,258	390,052	-	-	-	-
Total disbursements	4,547,547	-	225,258	396,977	1,640	14,295	3,036	3,540
Excess (deficiency) of receipts over disbursements	-	2	-	69,794	-	-	598	-
Cash and investments - ending	\$ -	\$ 2	\$ -	\$ 69,794	\$ -	\$ -	\$ 598	\$ -

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	CTP Funding	Education Fund (Recorder)	Court Reform Grant (Odyssey)	Health Dept. BHP Grant 172-2	Community Corrections	County Treasurer	Sheriff's Cash Book	Sheriff's Food Account
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,352,285	\$ -	\$ 858
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	1,743	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	93,019	-	-	-
Other receipts	10,651	-	17,964	4,996	313,211	1,832,319	5,759,891	339,833
Total receipts	<u>10,651</u>	<u>1,743</u>	<u>17,964</u>	<u>4,996</u>	<u>406,230</u>	<u>1,832,319</u>	<u>5,759,891</u>	<u>339,833</u>
Disbursements:								
Personal services	-	-	-	-	286,217	-	-	-
Supplies	-	-	-	-	7,300	-	-	-
Other services and charges	-	-	-	-	14,166	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	15,964	-	65,773	-	-	-
Other disbursements	-	-	-	-	4,436	2,352,285	5,759,891	337,792
Total disbursements	<u>-</u>	<u>-</u>	<u>15,964</u>	<u>-</u>	<u>377,892</u>	<u>2,352,285</u>	<u>5,759,891</u>	<u>337,792</u>
Excess (deficiency) of receipts over disbursements	<u>10,651</u>	<u>1,743</u>	<u>2,000</u>	<u>4,996</u>	<u>28,338</u>	<u>(519,966)</u>	<u>-</u>	<u>2,041</u>
Cash and investments - ending	<u>\$ 10,651</u>	<u>\$ 1,743</u>	<u>\$ 2,000</u>	<u>\$ 4,996</u>	<u>\$ 28,338</u>	<u>\$ 1,832,319</u>	<u>\$ -</u>	<u>\$ 2,899</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Sheriff Commissry	Sheriff's Pension	County Recorder	Clerk of Circuit Court	Title III SARA	Community Corrections Drug Free Coalition	EDIT	2010 Vaccination Grant
Cash and investments - beginning	\$ 81,619	\$ 6,750,510	\$ 24,225	\$ 534,329	\$ 4,344	\$ 1,200	\$ -	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	1,000,766	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	25,228	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	200,709	727,937	-	10,679,445	-	2,000	-	17,934
Total receipts	200,709	727,937	25,228	10,679,445	-	2,000	1,000,766	17,934
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	184,891	416,714	24,225	10,525,618	4,344	3,200	1,000,766	17,934
Total disbursements	184,891	416,714	24,225	10,525,618	4,344	3,200	1,000,766	17,934
Excess (deficiency) of receipts over disbursements	15,818	311,223	1,003	153,827	(4,344)	(1,200)	-	-
Cash and investments - ending	\$ 97,437	\$ 7,061,733	\$ 25,228	\$ 688,156	\$ -	\$ -	\$ -	\$ -

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	New Settlement	Donations/Sheriff Dept	Medical Assistance To Wards	Children With Special Health Needs	Sheriff's Continuing Education	Presecutor Donation	Law Enforcement	Work Release
Cash and investments - beginning	\$ -	\$ 18,792	\$ 101,814	\$ 12,980	\$ 3,824	\$ 1,233	\$ 20,638	\$ 17,566
Receipts:								
Taxes	35,354,232	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	4,089,320	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	13,924	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	4,809	96	-	12,715
Total receipts	<u>39,443,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,809</u>	<u>96</u>	<u>13,924</u>	<u>12,715</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	3,366	-	-	-	-	-	5,010
Other services and charges	-	-	-	-	4,049	543	12,210	2,500
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	1,107
Other disbursements	39,443,479	-	-	-	-	-	1,021	-
Total disbursements	<u>39,443,479</u>	<u>3,366</u>	<u>-</u>	<u>-</u>	<u>4,049</u>	<u>543</u>	<u>13,231</u>	<u>8,617</u>
Excess (deficiency) of receipts over disbursements	<u>73</u>	<u>(3,366)</u>	<u>-</u>	<u>-</u>	<u>760</u>	<u>(447)</u>	<u>693</u>	<u>4,098</u>
Cash and investments - ending	<u>\$ 73</u>	<u>\$ 15,426</u>	<u>\$ 101,814</u>	<u>\$ 12,980</u>	<u>\$ 4,584</u>	<u>\$ 786</u>	<u>\$ 21,331</u>	<u>\$ 21,664</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Welfare Hci	Project Income House Arrest	Cumulative Reassessment	Sheriff's Commissary	County Corrections	Build Indiana	Cri Grant - Health Dept	Adult Protective Services
Cash and investments - beginning	\$ 11,891	\$ 382,667	\$ 360,190	\$ 5,626	\$ 39,487	\$ 193,498	\$ 17,295	\$ 35,991
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	4,448	-	-	-	-	-
Charges for services	-	-	57	-	-	-	-	-
Fines and forfeits	-	38,005	-	-	-	-	-	-
Other receipts	-	281,828	969	15,000	-	-	3,333	85,157
Total receipts	-	319,833	5,474	15,000	-	-	3,333	85,157
Disbursements:								
Personal services	-	-	5,322	18,097	-	-	-	38,520
Supplies	-	-	-	-	-	-	-	69
Other services and charges	-	-	293,174	-	27,797	-	10,000	1,898
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	1,481
Other disbursements	-	400,434	-	-	-	-	-	-
Total disbursements	-	400,434	298,496	18,097	27,797	-	10,000	41,968
Excess (deficiency) of receipts over disbursements	-	(80,601)	(293,022)	(3,097)	(27,797)	-	(6,667)	43,189
Cash and investments - ending	<u>\$ 11,891</u>	<u>\$ 302,066</u>	<u>\$ 67,168</u>	<u>\$ 2,529</u>	<u>\$ 11,690</u>	<u>\$ 193,498</u>	<u>\$ 10,628</u>	<u>\$ 79,180</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Coroners Education	Operation Pull Over	Public Defender	Adult Probation Services	Act Juvenile Justice	93.041 Adult Protective Services 2	Assessment & Referral	Bail Alternative Building
Cash and investments - beginning	\$ 166	\$ 263	\$ 17,898	\$ 184,420	\$ 6,715	\$ (49,603)	\$ 79,213	\$ 44,543
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	169,659	-	-	98,393	-
Other receipts	3,548	-	30,817	16,820	-	-	-	2,356
Total receipts	3,548	-	30,817	186,479	-	-	98,393	2,356
Disbursements:								
Personal services	-	-	34,150	123,902	-	39,457	57,745	-
Supplies	-	-	-	3,462	-	1,296	495	-
Other services and charges	-	-	-	19,777	-	3,019	9,433	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	6,137	-	199	499	-
Other disbursements	3,544	-	-	16,150	-	-	1,025	-
Total disbursements	3,544	-	34,150	169,428	-	43,971	69,197	-
Excess (deficiency) of receipts over disbursements	4	-	(3,333)	17,051	-	(43,971)	29,196	2,356
Cash and investments - ending	\$ 170	\$ 263	\$ 14,565	\$ 201,471	\$ 6,715	\$ (93,574)	\$ 108,409	\$ 46,899

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Campaign Enforcement	Civil Process Fees	Community Corrections 2	Comprehensive Plan Emergency	County Drug Free Community Fund	County Share Edit	E-911	English Second Language
Cash and investments - beginning	\$ 200	\$ 6,734	\$ 86,866	\$ 16,477	\$ 60,709	\$ 1,047,845	\$ 26,809	\$ 1,685
Receipts:								
Taxes	-	-	-	-	-	803,106	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	9,999	-	-	-	159,775	-
Fines and forfeits	-	26,965	-	-	-	-	-	175
Other receipts	-	-	422,975	-	73,003	46,666	-	-
Total receipts	-	26,965	432,974	-	73,003	849,772	159,775	175
Disbursements:								
Personal services	-	25,924	279,408	-	-	87,224	61,790	-
Supplies	-	-	9,921	-	-	2,777	-	-
Other services and charges	-	-	102,969	-	60,709	63,321	93,746	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	283,095	-	-
Other disbursements	-	-	93,610	-	-	-	-	1,860
Total disbursements	-	25,924	485,908	-	60,709	436,417	155,536	1,860
Excess (deficiency) of receipts over disbursements	-	1,041	(52,934)	-	12,294	413,355	4,239	(1,685)
Cash and investments - ending	\$ 200	\$ 7,775	\$ 33,932	\$ 16,477	\$ 73,003	\$ 1,461,200	\$ 31,048	\$ -

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Informal Adjustment	Interstate Compact Fees	Madd Impact Fees	Mortgage Fees - State	Pro Bono Programs	Pros Law Enforcement	Public Preparedness	Sheriff Defibulator Donations
Cash and investments - beginning	\$ 6,958	\$ 38	\$ 2,640	\$ 375	\$ 14,506	\$ 52,378	\$ 4,221	\$ 70
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	3,586	-	-	-	-
Fines and forfeits	9,078	700	-	-	-	-	-	-
Other receipts	-	-	-	-	4,831	17,218	27,340	-
Total receipts	<u>9,078</u>	<u>700</u>	<u>-</u>	<u>3,586</u>	<u>4,831</u>	<u>17,218</u>	<u>27,340</u>	<u>-</u>
Disbursements:								
Personal services	-	-	-	-	2,230	-	20,673	-
Supplies	1,258	-	-	-	533	-	56	-
Other services and charges	4,224	675	-	-	11,503	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	3,593	-	16,690	-	-
Total disbursements	<u>5,482</u>	<u>675</u>	<u>-</u>	<u>3,593</u>	<u>14,266</u>	<u>16,690</u>	<u>20,729</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3,596</u>	<u>25</u>	<u>-</u>	<u>(7)</u>	<u>(9,435)</u>	<u>528</u>	<u>6,611</u>	<u>-</u>
Cash and investments - ending	<u>\$ 10,554</u>	<u>\$ 63</u>	<u>\$ 2,640</u>	<u>\$ 368</u>	<u>\$ 5,071</u>	<u>\$ 52,906</u>	<u>\$ 10,832</u>	<u>\$ 70</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Sheriff Drug Free	Sheriff Range Fund	Sheriff Special Accident	Sheriff Training Fund	Sheriff's Restitution	Vending Machine	Racino Tax	Gal/Capta
Cash and investments - beginning	\$ 2,159	\$ 216	\$ 12,678	\$ 550	\$ 10,407	\$ 1,719	\$ -	\$ 2,500
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	18,619	-	1,780	-	32	33	3,342,057	-
Total receipts	18,619	-	1,780	-	32	33	3,342,057	-
Disbursements:								
Personal services	7,468	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	104	-	-
Other services and charges	40	-	-	-	-	180	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	7,686	-	259	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	3,342,057	-
Total disbursements	15,194	-	259	-	-	284	3,342,057	-
Excess (deficiency) of receipts over disbursements	3,425	-	1,521	-	32	(251)	-	-
Cash and investments - ending	\$ 5,584	\$ 216	\$ 14,199	\$ 550	\$ 10,439	\$ 1,468	\$ -	\$ 2,500

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Race-Gender Fairness	Drug Free Coalition	Tsf Drug Free Coalition	Victim Assistance	Dui Task Force	4-H Drug Free Grant Tfc	Victim Assist 2	Juvenile Intensive Sp
Cash and investments - beginning	\$ 12,376	\$ (12,028)	\$ (9,292)	\$ (15,874)	\$ 4,053	\$ 145	\$ (31,981)	\$ (241)
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	22,021	66,388	-	17,829	9,051	-	6,105	-
Total receipts	22,021	66,388	-	17,829	9,051	-	6,105	-
Disbursements:								
Personal services	-	16,050	-	28,084	7,330	-	28,818	-
Supplies	-	239	-	48	-	-	89	-
Other services and charges	18,340	20,531	-	1,102	-	-	643	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	43	-	-	258	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	18,340	36,820	-	29,277	7,330	-	29,808	-
Excess (deficiency) of receipts over disbursements	3,681	29,568	-	(11,448)	1,721	-	(23,703)	-
Cash and investments - ending	\$ 16,057	\$ 17,540	\$ (9,292)	\$ (27,322)	\$ 5,774	\$ 145	\$ (55,684)	\$ (241)

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Jisp	Community Correction Juv	Homeland Security Computer Grant	Bcc Traffic Enorcement	Youth Subsatance Abuse Provention P	Fbi Justice Funds	E-911 Land Line	Racino - County
Cash and investments - beginning	\$ 8,720	\$ (2,250)	\$ (7)	\$ 3,574	\$ (7,914)	\$ 443	\$ 7,928	\$ 4,593,146
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	3,949,078
Charges for services	-	-	-	-	-	-	361,505	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	-	16,967	106,236	-	-	30,003
Total receipts	-	-	-	16,967	106,236	-	361,505	3,979,081
Disbursements:								
Personal services	-	-	-	18,999	38,371	-	42,121	672,205
Supplies	-	-	-	-	5,621	-	-	38,920
Other services and charges	-	-	-	-	63,648	-	9,300	1,521,194
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	501	70	-	744,387
Other disbursements	-	-	-	-	-	201	-	2,661,360
Total disbursements	-	-	-	18,999	108,141	271	51,421	5,638,066
Excess (deficiency) of receipts over disbursements	-	-	-	(2,032)	(1,905)	(271)	310,084	(1,658,985)
Cash and investments - ending	\$ 8,720	\$ (2,250)	\$ (7)	\$ 1,542	\$ (9,819)	\$ 172	\$ 318,012	\$ 2,934,161

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Jabg Flow Through Grant Cc	H1N1 Vaccination	Edward Byrne Memorial - Sheriff	Assessor Data Entry Fee	Hendricks Street Rental	Jail Debt	Cum. Courthouse	Gdif
Cash and investments - beginning	\$ 808	\$ 492	\$ 252	\$ 2,510	\$ 6,457	\$ 251,494	\$ (52,011)	\$ 194,643
Receipts:								
Taxes	-	-	-	-	-	-	620,106	72,206
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	79,227	-
Charges for services	-	-	-	-	9,775	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	29,567	-	-	2,095	-	-	-	-
Total receipts	29,567	-	-	2,095	9,775	-	699,333	72,206
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	1,085	-	-	56,771
Debt service - principal and interest	-	-	-	-	-	-	622,578	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	3,423	-
Total disbursements	-	-	-	-	1,085	-	626,001	56,771
Excess (deficiency) of receipts over disbursements	29,567	-	-	2,095	8,690	-	73,332	15,435
Cash and investments - ending	\$ 30,375	\$ 492	\$ 252	\$ 4,605	\$ 15,147	\$ 251,494	\$ 21,321	\$ 210,078

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Tindall Farm	Payroll	Payroll Withholding - Insurance	Ptrc 2008 Distribution	Excess Levy	2008 Citizen Coprts Programs	Automotive Safety	Ctp Community Corrections
Cash and investments - beginning	\$ 195,631	\$ 92,786	\$ 148,798	\$ (142)	\$ 180,449	\$ (2,578)	\$ 2	\$ 10,651
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	59,953	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	3,066,128	2,255,762	262	-	9,215	-	1,735
Total receipts	<u>59,953</u>	<u>3,066,128</u>	<u>2,255,762</u>	<u>262</u>	<u>-</u>	<u>9,215</u>	<u>-</u>	<u>1,735</u>
Disbursements:								
Personal services	-	3,172,657	1,690,238	-	-	-	-	-
Supplies	-	-	-	-	-	6,447	-	-
Other services and charges	1,347	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	7,042	-	-	-	-	804	-	-
Other disbursements	35,100	-	-	-	-	-	-	-
Total disbursements	<u>43,489</u>	<u>3,172,657</u>	<u>1,690,238</u>	<u>-</u>	<u>-</u>	<u>7,251</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>16,464</u>	<u>(106,529)</u>	<u>565,524</u>	<u>262</u>	<u>-</u>	<u>1,964</u>	<u>-</u>	<u>1,735</u>
Cash and investments - ending	<u>\$ 212,095</u>	<u>\$ (13,743)</u>	<u>\$ 714,322</u>	<u>\$ 120</u>	<u>\$ 180,449</u>	<u>\$ (614)</u>	<u>\$ 2</u>	<u>\$ 12,386</u>

SHELBY COUNTY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Excess Taxes	Fines & Forfeitures	Misc. Distributions	Settlement Fund	Sheriff Surety Bonds	Totals
Cash and investments - beginning	\$ 462,131	\$ 1,415	\$ 620,290	\$ (4,252)	\$ 1,220	\$ 30,990,681
Receipts:						
Taxes	-	-	-	124,623	-	53,865,984
Licenses and permits	-	-	-	-	-	95,020
Intergovernmental	-	-	-	-	-	11,958,585
Charges for services	-	-	-	-	-	2,039,656
Fines and forfeits	-	33,887	-	-	-	942,969
Other receipts	25,674	-	429,449	-	275	32,840,211
Total receipts	<u>25,674</u>	<u>33,887</u>	<u>429,449</u>	<u>124,623</u>	<u>275</u>	<u>101,742,425</u>
Disbursements:						
Personal services	-	-	-	-	-	16,712,855
Supplies	-	-	-	-	-	2,815,916
Other services and charges	-	31,198	-	-	-	5,269,316
Debt service - principal and interest	-	-	-	-	-	622,578
Capital outlay	-	-	-	-	-	1,779,017
Other disbursements	15,446	-	769,847	124,623	-	75,128,359
Total disbursements	<u>15,446</u>	<u>31,198</u>	<u>769,847</u>	<u>124,623</u>	<u>-</u>	<u>102,328,041</u>
Excess (deficiency) of receipts over disbursements	<u>10,228</u>	<u>2,689</u>	<u>(340,398)</u>	<u>-</u>	<u>275</u>	<u>(585,616)</u>
Cash and investments - ending	<u>\$ 472,359</u>	<u>\$ 4,104</u>	<u>\$ 279,892</u>	<u>\$ (4,252)</u>	<u>\$ 1,495</u>	<u>\$ 30,405,065</u>

SHELBY COUNTY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ -</u>	<u>\$ 150,778</u>

SHELBY COUNTY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Capital leases	Court House Renovation	\$ 595,000	\$ 622,000
Notes and loans payable	E-911 Equipment Loan	<u>104,826</u>	<u>54,141</u>
Totals		<u>\$ 699,826</u>	<u>\$ 676,141</u>

SHELBY COUNTY
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual County offices listed below:

County Auditor

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF SHELBY COUNTY, INDIANA

Compliance

We have audited the compliance of the Shelby County (County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2011. The County's major federal programs 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 programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011. 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 2011-1.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

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

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 2011-1. 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 County's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the County's response and, accordingly, we express no opinion on the response.

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

STATE BOARD OF ACCOUNTS

July 31, 2012

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the County. The schedule and notes are presented as intended by the County.

SHELBY COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victim Assistance	16.575		
		10VAPR163 10VAPR203	\$ 18,316 5,617
Total for program			<u>23,933</u>
Total for federal grantor agency			<u>23,933</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Right of Way Services	20.205		<u>12,112</u>
Total for cluster			<u>12,112</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Big City/Big County Seat Belt Enforcement program	20.600	K8-2011-03-03-27	<u>16,968</u>
Alcohol Impaired Driving Countermeasurers Incentive Grants I DUI Task Force Enforcement	20.601	PT-11-04-04-46	<u>9,050</u>
Total for cluster			<u>26,018</u>
Pass-Through Indiana State Department of Health Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703		<u>12,636</u>
Total for program			<u>12,636</u>
Total for federal grantor agency			<u>50,766</u>
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
Pass-Through Indiana Family and Social Services Administration Special Programs for the Aging - Title VII, Chapter 3 - Programs for Prevention of Elder Abuse, Neglect, and Exploitation Adult Protective Services	93.041	73-11-PV-1245-02	<u>85,156</u>
Pass-Through Indiana State Department of Health Public Health Emergency Preparedness	93.069	BPRS 172-70 BHP 172-2 BPRS 172-71 H1N1 172-68	20,449 4,996 10,224 7,710 <u>14,295</u>
Total for program			<u>57,674</u>
Drug-Free Communities Support Program Grants Youth Substance Abuse Prevention Project	93.276		<u>23,504</u>
Pass-Through Indiana Department of Child Services Child Support Enforcement County Clerk of the Court's Expenditures County Prosecutor's Expenditures Collection Incentives Indirect Costs	93.563		32,734 132,209 164,845 <u>92,992</u>
Total for program			<u>422,780</u>
Total for federal grantor agency			<u>589,114</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Homeland Security Cluster Citizens Corp	97.053		<u>6,003</u>
Total for cluster			<u>6,003</u>
Hazard Mitigation Grant	97.039	1766.18R	<u>296,250</u>
Emergency Management Performance Grants	97.042		<u>27,762</u>
Total for federal grantor agency			<u>330,015</u>
Total federal awards expended			<u>\$ 993,828</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

SHELBY COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Shelby County (County) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the County provided federal awards to subrecipients as follows for the year ended December 31, 2011:

Program Title	Federal CFDA Number	2011
State and Community Highway Safety	20.600	\$ 12,411
Alcohol Impaired Driving Countermeasures Incentive Grants 1	20.601	4,326

SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
93.563	Child Support Enforcement
97.039	Hazard Mitigation Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

SHELBY COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-1, Equipment and Real Property Management

Federal Agency: Department of Homeland Security
Federal Program: Hazard Mitigation Grant
CFDA Number: 97.039
Award Number: C44P-0-179A
Pass-Through Entity: Indiana Department of Homeland Security

Records are not maintained which would account for all property and equipment acquired with federal financial assistance and which would allow for the proper conducting of inventories. Management of the County has not established an effective internal control system to monitor and maintain property and equipment acquired with federal financial assistance. The failure to establish an effective internal control system places the County at risk of noncompliance with the grant agreement and the applicable compliance requirements.

An internal control system should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis.

OMB Circular A-133, Subpart C section.300 (b) states: "The auditee shall: Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

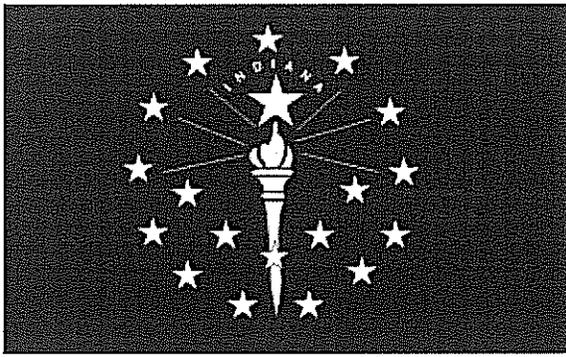
44 CFR 13.32(d) states in part:

"Management requirements. Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

- (1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.
- (2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years."

Failure to maintain detailed and accurate equipment and property records and to reconcile physical inventory could result in assets being lost, stolen, misappropriated, or disposed of improperly and not detected within a reasonable time.

We recommended that the County maintain internal control system over equipment with sufficient information to allow compliance with federal regulations. We also recommended that the County design and properly monitor procedures that would ensure that inventories of property and equipment are conducted on an biennial basis and that inventories are reconciled to the detailed capital assets ledger.



AMY L. GLACKMAN
SHELBY COUNTY
AUDITOR

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

July 26, 2012

RE: Schedule of Prior Audit Findings

Finding Number: 2010-1

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

Corrective Action Plan

This year I included all outside Department Cash entries in the 2011 Annual Report.

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

Thank You,

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

Amy L. Glackman
Shelby County Auditor



AMY L. GLACKMAN
SHELBY COUNTY
AUDITOR

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

July 26, 2012

To Whom It May Concern

RE: Corrective Action Plan

Finding Number: 2011-1

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

Corrective Action Plan

We have reviewed with the State Auditor the Findings of our Audit and will be looking into a fixed asset program.

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

Thank You,

Amy L. Glackman
Shelby County Auditor

SHELBY COUNTY
EXIT CONFERENCE

The contents of this report were discussed on July 31, 2012, with Amy L. Glackman, Auditor; Tom K. Debaun, President of the County Council; and Tony Newton, President of the Board of County Commissioners. Our audit disclosed no material items that warrant comment at this time.