

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF SEYMOUR
JACKSON COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
09/27/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Fred D. Lewis	01-01-08 to 12-31-15
Mayor	Craig Luedeman	01-01-08 to 12-31-15
President of the Board of Public Works	Craig Luedeman	01-01-11 to 12-31-12
President of the Common Council	Michael T. Jordan James W. Rebber	01-01-11 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the City of Seymour (City), for the year ended December 31, 2011. This financial statement is the responsibility of the City'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 City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 City 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.

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, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated September 13, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City'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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, is 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 City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, 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 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 City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

September 13, 2012



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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 THE CITY OF SEYMOUR, JACKSON COUNTY, INDIANA

We have audited the financial statement of the City of Seymour (City), for the year ended December 31, 2011, and have issued our report thereon dated September 13, 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

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement 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 City'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 City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

September 13, 2012

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, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
GENERAL	\$ 1,629,677	\$ 14,809,314	\$ 16,098,201	\$ 340,790
ELECTRICAL LICENSING	12,950	5,115	4,305	13,760
POLICE DEPARTMENT PETTY CASH	150	-	-	150
DEPARTMENT OF PUBLIC WORKS PETTY CASH	-	100	-	100
RDC CAPITAL 2011	1,279	1,638,160	1,045,628	593,811
CUMULATIVE CAPITAL IMPROVEMENT	181,078	51,982	100,000	133,060
RDC BOND AND INTEREST 2011	-	189,903	189,402	501
RDC DEBT RESERVE 2011	-	165,225	-	165,225
FIRE PENSION	432,388	488,263	501,234	419,417
POLICE PENSION	512,613	291,159	372,958	430,814
INDIANA FIRE PENSION	20,755	121,490	122,031	20,214
INDIANA POLICE PENSION	30,544	115,709	115,702	30,551
RAINY DAY FUND	396,392	309,467	279,337	426,522
BONDS AND INTEREST 2005 AND 2010	43,116	720,351	634,488	128,979
CUMULATIVE FIRE EQUIPMENT	248,494	24,808	39,143	234,159
FIRE DEPARTMENT HAZARDOUS WASTE	22,400	358	3,523	19,235
RECYCLING FUND	119,523	316,491	176,277	259,737
THOROUGHFARE	117,348	670	95,420	22,598
LOCAL ROAD AND STREET	278,190	79,085	184,999	172,276
POLICE SOFT DRINK NONREVERTING	474	1,813	1,467	820
MOTOR VEHICLE HIGHWAY	80,343	893,045	817,372	156,016
FIRE DEPARTMENT EDUCATIONAL NONREVERTING	32,186	1,236	4,544	28,878
CUMULATIVE CAPITAL DEVELOPMENT	264,402	262,062	286,398	240,066
ECONOMIC DEVELOPMENT INCOME TAX	166,713	546,788	560,000	153,501
LANDFILL COST NONREVERTING	93,365	251,957	240,867	104,455
LEVY EXCESS	23,877	5,800,000	5,800,000	23,877
CITY DEPARTMENT OF PUBLIC WORKS	5,396	4,446	2,108	7,734
ECONOMIC DEVELOPMENT	10,404	-	-	10,404
GRANT HOLDING FUND	147,193	1,081,207	1,013,882	214,518
PARK AND RECREATION FUND	675,684	529,670	781,142	424,212
PARK AND RECREATION ACTIVITY NONREVERTING	91,374	20,665	10,763	101,276
REGION XI	21,367	12,311	3,594	30,084
SEYMOUR COMMUNITY CENTER	17,595	6,887	2,866	21,616
PARK AND RECREATION LEAGUE NONREVERTING	64,366	36,090	29,279	71,177
PARK AND RECREATION PETTY CASH	500	-	-	500
POLICE ALCOHOL AND DRUG	3,232	-	-	3,232
LAW ENFORCEMENT TRAINING	14,794	32,276	41,311	5,759
POLICE SEIZURE FUND	60,883	42,009	53,424	49,468
D.A.R.E. POLICE FUND	7,351	9,487	10,986	5,852
TIF BURKART DRIVE/1-65 ALLOCATION	78,620	1,043,723	539,773	582,570
PAYROLL FEDERAL WITHHOLDINGS	22	931,950	932,035	(63)
PAYROLL FICA	(3)	140,068	140,045	20
PAYROLL MEDICARE	794	102,175	102,182	787
PAYROLL STATE WITHHOLDINGS	27,063	278,490	283,464	22,089
PAYROLL COUNTY WITHHOLDINGS	12,988	113,407	105,032	21,363
PAYROLL PERF	37,929	3,769	4,158	37,540
JUDGMENTS AND GARNISHMENTS #1	(6,260)	1,040	1,040	(6,260)
VSP VISION INSURANCE	(4,043)	21,490	20,577	(3,130)
PAYROLL INDIANA POLICE	(814)	115,448	115,709	(1,075)
IRWIN UNION BANK SAVINGS	-	1,300	1,300	-
PAYROLL INDIANA FIRE PENSION	-	121,490	121,490	-
CHASE BANK	1,423	32,374	30,875	2,922
WOODFOREST NATIONAL BANK	-	22,024	22,024	-
JUDGMENTS AND GARNISHMENTS #2	-	7,324	7,324	-
JUDGMENTS AND GARNISHMENTS #3	-	14,262	14,262	-
JUDGMENTS AND GARNISHMENTS #4	-	2,860	2,860	-
JUDGMENTS AND GARNISHMENTS #5	-	4,992	4,992	-
JUDGMENTS AND GARNISHMENTS #6	-	6,933	6,933	-
JUDGMENTS AND GARNISHMENTS #7	-	1,419	1,419	-
GARNISHMENTS	161	-	-	161
PAYROLL FILING FEES	-	586	586	-
PAYROLL UNITED FUND	-	4,049	3,743	306
PAYROLL CHRISTMAS CLUB	117	105,898	105,798	217
SCOTT COUNTY TAX	288	986	1,001	273
SIHO	25,208	1,316,409	1,292,125	49,492
PAYROLL SAVINGS PLAN	700	127,764	127,657	807
PAYROLL POLICE DUES	-	6,440	6,440	-
PAYROLL FIRE DUES	-	7,608	7,608	-
PAYROLL NATIONWIDE	-	48,148	48,148	-
PAYROLL FRANKLIN LIFE	70	2,220	2,220	70
PAYROLL AFLAC	1,034	12,461	12,435	1,060

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, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
JENNINGS COUNTY TAX	396	3,646	3,564	478
CITY SHARE FICA	3,807	254,147	254,957	2,997
CITY SHARE MEDICARE	(4,229)	54,768	53,957	(3,418)
CITY SHARE PERF	(38,190)	278,845	278,846	(38,191)
CITY SHARE UNEMPLOYMENT	621	30,616	30,621	616
NET PAYROLL	(2,203)	2,011,409	2,011,345	(2,139)
FIRST HARRISON BANK	(50)	13,479	13,479	(50)
WASHINGTON COUNTY TAX	168	1,617	1,669	116
JUDGMENTS AND GARNISHMENTS #8	(433)	-	-	(433)
JUDGMENTS AND GARNISHMENTS #9	-	4,096	4,096	-
JUDGMENTS AND GARNISHMENTS #10	-	500	500	-
JUDGMENTS AND GARNISHMENTS #11	-	-	-	-
JACKSON COUNTY BANK	(770)	1,117,002	1,125,706	(9,474)
NATIONAL CITY BANK	2,114	422,114	422,114	2,114
INDIANA BANK AND TRUST COMPANY	-	1,230,026	1,230,026	-
CENTRA CREDIT UNION	-	410,626	410,626	-
IRWIN UNION BANK	-	233,311	233,311	-
REGIONS BANK (SALEM)	-	38,675	38,675	-
WELLS FARGO BANK	-	8,480	8,480	-
JUDGMENTS AND GARNISHMENTS #12	-	2,340	2,340	-
DUPONT STATE BANK	-	34,967	34,967	-
JUDGMENTS AND GARNISHMENTS #13	-	786	786	-
JUDGMENTS AND GARNISHMENTS #14	-	46	46	-
OLD NATIONAL BANK	-	14,980	14,980	-
JUDGMENTS AND GARNISHMENTS #15	-	11,316	11,316	-
JUDGMENTS AND GARNISHMENTS #16	-	9,464	9,464	-
JUDGMENTS AND GARNISHMENTS #17	-	9,026	9,026	-
AMSOUTH BANK OF FLORIDA	-	16,158	16,158	-
JUDGMENTS AND GARNISHMENTS #18	-	8,476	8,476	-
JUDGMENTS AND GARNISHMENTS #19	-	170	170	-
SAVINGS HOME FEDERAL BANK	-	1,010	985	25
PEOPLES BANK	2	183,817	183,842	(23)
BROKERS NATIONAL	(16,162)	86,976	90,749	(19,935)
DIRECT DEPOSIT ELI LILLY	-	37,034	37,034	-
NATIONAL CITY BANK SOUTHEAST	-	40,339	40,339	-
BANK OF AMERICA	-	24,648	24,648	-
JUDGMENTS AND GARNISHMENTS #20	-	-	101	(101)
DIRECT DEPOSIT CENTRA CREDIT SAVINGS	-	36,291	36,291	-
JUDGMENTS AND GARNISHMENTS #21	-	9,724	9,724	-
CLARK COUNTY TAX	78	1,248	1,167	159
MARION COUNTY TAX	(280)	304	228	(204)
REIMBURSE OVERPAYMENTS	2	622	624	-
AUL LOAN PAYBACK	-	9,297	9,297	-
JUDGMENTS AND GARNISHMENTS #22	-	11,289	11,289	-
JUDGMENTS AND GARNISHMENTS #23	-	4,800	4,800	-
BARTHOLOMEW COUNTY TAX	114	1,291	1,061	344
JUDGMENTS AND GARNISHMENTS #24	-	600	600	-
DIRECT DEPOSIT STATE BANK OF MEDORA	-	65,347	65,347	-
HUNTINGTON BANK	-	4,642	4,642	-
BLOOMFIELD STATE BANK	-	36,993	36,993	-
JUDGMENTS AND GARNISHMENTS #25	-	1,248	1,248	-
JUDGMENTS AND GARNISHMENTS #26	-	1,727	1,727	-
AUL DEFERRED COMP	-	96,246	96,246	-
AFLAC LIFE INSURANCE	92	355	594	(147)
MEMBERS CHOICE FCU	-	3,156	3,156	-
AFLAC/CAIC	-	9,229	8,014	1,215
SRF BOND AND INTEREST	-	2,172,082	1,704,794	467,288
SRF DEBT RESERVE	-	1,005,375	-	1,005,375
SRF CONSTRUCTION	-	3,964,305	3,964,305	-
SMSU OPERATING	7,571,873	16,945,603	19,093,342	5,424,134
SMSU SINKING	2,315	278,115	280,430	-
SMSU ONLINE PAYMENTS	-	26,705	15,751	10,954
SMSU IMPROVEMENT	69,915	736	-	70,651
SMSU PETTY CASH	150	-	-	150
SMSU DEBT RESERVE	374,028	441,113	815,141	-
Totals	<u>\$ 13,967,051</u>	<u>\$ 65,182,059</u>	<u>\$ 66,462,116</u>	<u>\$ 12,686,994</u>

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

CITY OF SEYMOUR
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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 City.

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

CITY OF SEYMOUR
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial 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 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 STATEMENT
(Continued)

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

Utility operating expenses which include all outflows for operating the utilities.

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

CITY OF SEYMOUR
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 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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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 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.

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

CITY OF SEYMOUR
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. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

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 Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF SEYMOUR
NOTES TO FINANCIAL STATEMENT
(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 Retirement System (INPRS) 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.

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

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

Funding Policy

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City'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 City 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 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, 2011

	GENERAL	ELECTRICAL LICENSING	POLICE DEPARTMENT PETTY CASH	DEPARTMENT OF PUBLIC WORKS PETTY CASH	RDC CAPITAL 2011	CUMULATIVE CAPITAL IMPROVEMENT	RDC BOND AND INTEREST 2011
Cash and investments - beginning	\$ 1,629,677	\$ 12,950	\$ 150	\$ -	\$ 1,279	\$ 181,078	\$ -
Receipts:							
Taxes	6,616,914	-	-	-	1,638,160	-	-
Licenses and permits	64,889	5,115	-	-	-	-	-
Intergovernmental	2,620,071	-	-	-	-	51,982	-
Charges for services	62,503	-	-	-	-	-	-
Fines and forfeits	104,945	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,339,992	-	-	100	-	-	189,903
Total receipts	14,809,314	5,115	-	100	1,638,160	51,982	189,903
Disbursements:							
Personal services	9,130,092	-	-	-	-	-	-
Supplies	472,466	-	-	-	-	-	-
Other services and charges	1,965,877	-	-	-	-	100,000	-
Debt service - principal and interest	-	-	-	-	-	-	189,402
Capital outlay	61,696	-	-	-	1,045,628	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,468,070	4,305	-	-	-	-	-
Total disbursements	16,098,201	4,305	-	-	1,045,628	100,000	189,402
Excess (deficiency) of receipts over disbursements	(1,288,887)	810	-	100	592,532	(48,018)	501
Cash and investments - ending	\$ 340,790	\$ 13,760	\$ 150	\$ 100	\$ 593,811	\$ 133,060	\$ 501

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

	RDC DEBT RESERVE 2011	FIRE PENSION	POLICE PENSION	INDIANA FIRE PENSION	INDIANA POLICE PENSION	RAINY DAY FUND	BONDS AND INTEREST 2005 AND 2010
Cash and investments - beginning	\$ -	\$ 432,388	\$ 512,613	\$ 20,755	\$ 30,544	\$ 396,392	\$ 43,116
Receipts:							
Taxes	-	-	-	-	-	-	671,197
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	488,263	291,159	-	-	-	41,708
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	165,225	-	-	121,490	115,709	309,467	7,446
Total receipts	165,225	488,263	291,159	121,490	115,709	309,467	720,351
Disbursements:							
Personal services	-	501,234	372,914	29,946	28,681	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	633,588
Capital outlay	-	-	-	-	-	269,337	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	44	92,085	87,021	10,000	900
Total disbursements	-	501,234	372,958	122,031	115,702	279,337	634,488
Excess (deficiency) of receipts over disbursements	165,225	(12,971)	(81,799)	(541)	7	30,130	85,863
Cash and investments - ending	\$ 165,225	\$ 419,417	\$ 430,814	\$ 20,214	\$ 30,551	\$ 426,522	\$ 128,979

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

	CUMULATIVE FIRE EQUIPMENT	FIRE DEPARTMENT HAZARDOUS WASTE	RECYCLING FUND	THOROUGHFARE	LOCAL ROAD AND STREET	POLICE SOFT DRINK NONREVERTING	MOTOR VEHICLE HIGHWAY
Cash and investments - beginning	\$ 248,494	\$ 22,400	\$ 119,523	\$ 117,348	\$ 278,190	\$ 474	\$ 80,343
Receipts:							
Taxes	19,695	-	-	-	-	-	337,824
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,194	-	-	-	79,085	-	496,472
Charges for services	-	358	-	-	-	-	-
Fines and forfeits	118	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	3,801	-	316,491	670	-	1,813	58,749
Total receipts	24,808	358	316,491	670	79,085	1,813	893,045
Disbursements:							
Personal services	-	-	-	-	-	-	551,406
Supplies	39,143	3,523	176,277	-	-	-	112,306
Other services and charges	-	-	-	95,420	184,999	-	35,152
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	6,028
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	1,467	112,480
Total disbursements	39,143	3,523	176,277	95,420	184,999	1,467	817,372
Excess (deficiency) of receipts over disbursements	(14,335)	(3,165)	140,214	(94,750)	(105,914)	346	75,673
Cash and investments - ending	\$ 234,159	\$ 19,235	\$ 259,737	\$ 22,598	\$ 172,276	\$ 820	\$ 156,016

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

	FIRE DEPARTMENT EDUCATIONAL NONREVERTING	CUMULATIVE CAPITAL DEVELOPMENT	ECONOMIC DEVELOPMENT INCOME TAX	LANDFILL COST NONREVERTING	LEVY EXCESS	CITY DEPARTMENT OF PUBLIC WORKS	ECONOMIC DEVELOPMENT
Cash and investments - beginning	\$ 32,186	\$ 264,402	\$ 166,713	\$ 93,365	\$ 23,877	\$ 5,396	\$ 10,404
Receipts:							
Taxes	-	253,505	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	8,557	546,788	-	-	-	-
Charges for services	-	-	-	250,467	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,236	-	-	1,490	5,800,000	4,446	-
Total receipts	<u>1,236</u>	<u>262,062</u>	<u>546,788</u>	<u>251,957</u>	<u>5,800,000</u>	<u>4,446</u>	<u>-</u>
Disbursements:							
Personal services	-	-	560,000	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	286,398	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,544	-	-	240,867	5,800,000	2,108	-
Total disbursements	<u>4,544</u>	<u>286,398</u>	<u>560,000</u>	<u>240,867</u>	<u>5,800,000</u>	<u>2,108</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,308)</u>	<u>(24,336)</u>	<u>(13,212)</u>	<u>11,090</u>	<u>-</u>	<u>2,338</u>	<u>-</u>
Cash and investments - ending	<u>\$ 28,878</u>	<u>\$ 240,066</u>	<u>\$ 153,501</u>	<u>\$ 104,455</u>	<u>\$ 23,877</u>	<u>\$ 7,734</u>	<u>\$ 10,404</u>

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

	GRANT HOLDING FUND	PARK AND RECREATION FUND	PARK AND RECREATION ACTIVITY NONREVERTING	REGION XI	SEYMOUR COMMUNITY CENTER	PARK AND RECREATION LEAGUE NONREVERTING	PARK AND RECREATION PETTY CASH
Cash and investments - beginning	\$ 147,193	\$ 675,684	\$ 91,374	\$ 21,367	\$ 17,595	\$ 64,366	\$ 500
Receipts:							
Taxes	-	410,953	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,019,575	24,694	-	3,010	-	-	-
Charges for services	-	74,215	20,390	-	6,887	36,090	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	61,632	19,808	275	9,301	-	-	-
Total receipts	<u>1,081,207</u>	<u>529,670</u>	<u>20,665</u>	<u>12,311</u>	<u>6,887</u>	<u>36,090</u>	<u>-</u>
Disbursements:							
Personal services	-	495,514	-	-	-	-	-
Supplies	-	84,000	-	-	-	-	-
Other services and charges	-	95,530	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	12,045	-	659	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,013,882	94,053	10,763	2,935	2,866	29,279	-
Total disbursements	<u>1,013,882</u>	<u>781,142</u>	<u>10,763</u>	<u>3,594</u>	<u>2,866</u>	<u>29,279</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>67,325</u>	<u>(251,472)</u>	<u>9,902</u>	<u>8,717</u>	<u>4,021</u>	<u>6,811</u>	<u>-</u>
Cash and investments - ending	<u>\$ 214,518</u>	<u>\$ 424,212</u>	<u>\$ 101,276</u>	<u>\$ 30,084</u>	<u>\$ 21,616</u>	<u>\$ 71,177</u>	<u>\$ 500</u>

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

	POLICE ALCOHOL AND DRUG	LAW ENFORCEMENT TRAINING	POLICE SEIZURE FUND	D.A.R.E. POLICE FUND	TIF BURKART DRIVE/1-65 ALLOCATION	PAYROLL FEDERAL WITHHOLDINGS	PAYROLL FICA
Cash and investments - beginning	\$ 3,232	\$ 14,794	\$ 60,883	\$ 7,351	\$ 78,620	\$ 22	\$ (3)
Receipts:							
Taxes	-	-	-	-	1,043,723	-	-
Licenses and permits	-	6,235	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	5,226	-	-	-	-	-
Fines and forfeits	-	10	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	20,805	42,009	9,487	-	931,950	140,068
Total receipts	-	32,276	42,009	9,487	1,043,723	931,950	140,068
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	41,311	53,424	10,986	539,773	932,035	140,045
Total disbursements	-	41,311	53,424	10,986	539,773	932,035	140,045
Excess (deficiency) of receipts over disbursements	-	(9,035)	(11,415)	(1,499)	503,950	(85)	23
Cash and investments - ending	\$ 3,232	\$ 5,759	\$ 49,468	\$ 5,852	\$ 582,570	\$ (63)	\$ 20

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

	PAYROLL MEDICARE	PAYROLL STATE WITHHOLDINGS	PAYROLL COUNTY WITHHOLDINGS	PAYROLL PERF	JUDGMENTS AND GARNISHMENTS #1	VSP VISION INSURANCE	PAYROLL INDIANA POLICE
Cash and investments - beginning	\$ 794	\$ 27,063	\$ 12,988	\$ 37,929	\$ (6,260)	\$ (4,043)	\$ (814)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	102,175	278,490	113,407	3,769	1,040	21,490	115,448
Total receipts	102,175	278,490	113,407	3,769	1,040	21,490	115,448
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	102,182	283,464	105,032	4,158	1,040	20,577	115,709
Total disbursements	102,182	283,464	105,032	4,158	1,040	20,577	115,709
Excess (deficiency) of receipts over disbursements	(7)	(4,974)	8,375	(389)	-	913	(261)
Cash and investments - ending	\$ 787	\$ 22,089	\$ 21,363	\$ 37,540	\$ (6,260)	\$ (3,130)	\$ (1,075)

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

	IRWIN UNION BANK SAVINGS	PAYROLL INDIANA FIRE PENSION	CHASE BANK	WOODFOREST NATIONAL BANK	JUDGMENTS AND GARNISHMENTS #2	JUDGMENTS AND GARNISHMENTS #3	JUDGMENTS AND GARNISHMENTS #4
Cash and investments - beginning	\$ -	\$ -	\$ 1,423	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,300	121,490	32,374	22,024	7,324	14,262	2,860
Total receipts	1,300	121,490	32,374	22,024	7,324	14,262	2,860
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,300	121,490	30,875	22,024	7,324	14,262	2,860
Total disbursements	1,300	121,490	30,875	22,024	7,324	14,262	2,860
Excess (deficiency) of receipts over disbursements	-	-	1,499	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 2,922	\$ -	\$ -	\$ -	\$ -

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

	JUDGMENTS AND GARNISHMENTS #5	JUDGMENTS AND GARNISHMENTS #6	JUDGMENTS AND GARNISHMENTS #7	GARNISHMENTS	PAYROLL FILING FEES	PAYROLL UNITED FUND	PAYROLL CHRISTMAS CLUB
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 161	\$ -	\$ -	\$ 117
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,992	6,933	1,419	-	586	4,049	105,898
Total receipts	4,992	6,933	1,419	-	586	4,049	105,898
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,992	6,933	1,419	-	586	3,743	105,798
Total disbursements	4,992	6,933	1,419	-	586	3,743	105,798
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	306	100
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 161	\$ -	\$ 306	\$ 217

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

	SCOTT COUNTY TAX	SIHO	PAYROLL SAVINGS PLAN	PAYROLL POLICE DUES	PAYROLL FIRE DUES	PAYROLL NATIONWIDE	PAYROLL FRANKLIN LIFE
Cash and investments - beginning	\$ 288	\$ 25,208	\$ 700	\$ -	\$ -	\$ -	\$ 70
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	986	1,316,409	127,764	6,440	7,608	48,148	2,220
Total receipts	986	1,316,409	127,764	6,440	7,608	48,148	2,220
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,001	1,292,125	127,657	6,440	7,608	48,148	2,220
Total disbursements	1,001	1,292,125	127,657	6,440	7,608	48,148	2,220
Excess (deficiency) of receipts over disbursements	(15)	24,284	107	-	-	-	-
Cash and investments - ending	\$ 273	\$ 49,492	\$ 807	\$ -	\$ -	\$ -	\$ 70

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

	PAYROLL AFLAC	JENNINGS COUNTY TAX	CITY SHARE FICA	CITY SHARE MEDICARE	CITY SHARE PERF	CITY SHARE UNEMPLOYMENT	NET PAYROLL
Cash and investments - beginning	\$ 1,034	\$ 396	\$ 3,807	\$ (4,229)	\$ (38,190)	\$ 621	\$ (2,203)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	12,461	3,646	254,147	54,768	278,845	30,616	2,011,409
Total receipts	12,461	3,646	254,147	54,768	278,845	30,616	2,011,409
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	12,435	3,564	254,957	53,957	278,846	30,621	2,011,345
Total disbursements	12,435	3,564	254,957	53,957	278,846	30,621	2,011,345
Excess (deficiency) of receipts over disbursements	26	82	(810)	811	(1)	(5)	64
Cash and investments - ending	\$ 1,060	\$ 478	\$ 2,997	\$ (3,418)	\$ (38,191)	\$ 616	\$ (2,139)

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

	FIRST HARRISON BANK	WASHINGTON COUNTY TAX	JUDGMENTS AND GARNISHMENTS #8	JUDGMENTS AND GARNISHMENTS #9	JUDGMENTS AND GARNISHMENTS #10	JUDGMENTS AND GARNISHMENTS #11
Cash and investments - beginning	\$ (50)	\$ 168	\$ (433)	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	13,479	1,617	-	4,096	500	-
Total receipts	13,479	1,617	-	4,096	500	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	13,479	1,669	-	4,096	500	-
Total disbursements	13,479	1,669	-	4,096	500	-
Excess (deficiency) of receipts over disbursements	-	(52)	-	-	-	-
Cash and investments - ending	\$ (50)	\$ 116	\$ (433)	\$ -	\$ -	\$ -

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

	JACKSON COUNTY BANK	NATIONAL CITY BANK	INDIANA BANK AND TRUST COMPANY	CENTRA CREDIT UNION	IRWIN UNION BANK	REGIONS BANK (SALEM)
Cash and investments - beginning	\$ (770)	\$ 2,114	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,117,002	422,114	1,230,026	410,626	233,311	38,675
Total receipts	1,117,002	422,114	1,230,026	410,626	233,311	38,675
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,125,706	422,114	1,230,026	410,626	233,311	38,675
Total disbursements	1,125,706	422,114	1,230,026	410,626	233,311	38,675
Excess (deficiency) of receipts over disbursements	(8,704)	-	-	-	-	-
Cash and investments - ending	\$ (9,474)	\$ 2,114	\$ -	\$ -	\$ -	\$ -

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

	WELLS FARGO BANK	JUDGMENTS AND GARNISHMENTS #12	DUPONT STATE BANK	JUDGMENTS AND GARNISHMENTS #13	JUDGMENTS AND GARNISHMENTS #14	OLD NATIONAL BANK
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	8,480	2,340	34,967	786	46	14,980
Total receipts	<u>8,480</u>	<u>2,340</u>	<u>34,967</u>	<u>786</u>	<u>46</u>	<u>14,980</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	8,480	2,340	34,967	786	46	14,980
Total disbursements	<u>8,480</u>	<u>2,340</u>	<u>34,967</u>	<u>786</u>	<u>46</u>	<u>14,980</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	JUDGMENTS AND GARNISHMENTS #15	JUDGMENTS AND GARNISHMENTS #16	JUDGMENTS AND GARNISHMENTS #17	AMSOUTH BANK OF FLORIDA	JUDGMENTS AND GARNISHMENTS #18	JUDGMENTS AND GARNISHMENTS #19
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	11,316	9,464	9,026	16,158	8,476	170
Total receipts	<u>11,316</u>	<u>9,464</u>	<u>9,026</u>	<u>16,158</u>	<u>8,476</u>	<u>170</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	11,316	9,464	9,026	16,158	8,476	170
Total disbursements	<u>11,316</u>	<u>9,464</u>	<u>9,026</u>	<u>16,158</u>	<u>8,476</u>	<u>170</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	SAVINGS HOME FEDERAL BANK	PEOPLES BANK	BROKERS NATIONAL	DIRECT DEPOSIT ELI LILLY	NATIONAL CITY BANK SOUTHEAST	BANK OF AMERICA
Cash and investments - beginning	\$ -	\$ 2	\$ (16,162)	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,010	183,817	86,976	37,034	40,339	24,648
Total receipts	1,010	183,817	86,976	37,034	40,339	24,648
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	985	183,842	90,749	37,034	40,339	24,648
Total disbursements	985	183,842	90,749	37,034	40,339	24,648
Excess (deficiency) of receipts over disbursements	25	(25)	(3,773)	-	-	-
Cash and investments - ending	\$ 25	\$ (23)	\$ (19,935)	\$ -	\$ -	\$ -

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

	JUDGMENTS AND GARNISHMENTS #20	DIRECT DEPOSIT CENTRA CREDIT SAVINGS	JUDGMENTS AND GARNISHMENTS #21	CLARK COUNTY TAX	MARION COUNTY TAX	REIMBURSE OVERPAYMENTS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 78	\$ (280)	\$ 2
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	36,291	9,724	1,248	304	622
Total receipts	-	36,291	9,724	1,248	304	622
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	101	36,291	9,724	1,167	228	624
Total disbursements	101	36,291	9,724	1,167	228	624
Excess (deficiency) of receipts over disbursements	(101)	-	-	81	76	(2)
Cash and investments - ending	\$ (101)	\$ -	\$ -	\$ 159	\$ (204)	\$ -

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

	AUL LOAN PAYBACK	JUDGMENTS AND GARNISHMENTS #22	JUDGMENTS AND GARNISHMENTS #23	BARTHOLOMEW COUNTY TAX	JUDGMENTS AND GARNISHMENTS #24	DIRECT DEPOSIT STATE BANK OF MEDORA
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 114	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	9,297	11,289	4,800	1,291	600	65,347
Total receipts	9,297	11,289	4,800	1,291	600	65,347
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	9,297	11,289	4,800	1,061	600	65,347
Total disbursements	9,297	11,289	4,800	1,061	600	65,347
Excess (deficiency) of receipts over disbursements	-	-	-	230	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 344	\$ -	\$ -

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

	HUNTINGTON BANK	BLOOMFIELD STATE BANK	JUDGMENTS AND GARNISHMENTS #25	JUDGMENTS AND GARNISHMENTS #26	AUL DEFERRED COMP	AFLAC LIFE INSURANCE
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	4,642	36,993	1,248	1,727	96,246	355
Total receipts	<u>4,642</u>	<u>36,993</u>	<u>1,248</u>	<u>1,727</u>	<u>96,246</u>	<u>355</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	4,642	36,993	1,248	1,727	96,246	594
Total disbursements	<u>4,642</u>	<u>36,993</u>	<u>1,248</u>	<u>1,727</u>	<u>96,246</u>	<u>594</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(239)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (147)</u>

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

	MEMBERS CHOICE FCU	AFLAC/CAIC	SRF BOND AND INTEREST	SRF DEBT RESERVE	SRF CONSTRUCTION	SMSU OPERATING
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,571,873
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	5,082,092
Other receipts	3,156	9,229	2,172,082	1,005,375	3,964,305	11,863,511
Total receipts	3,156	9,229	2,172,082	1,005,375	3,964,305	16,945,603
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	2,619,355
Capital outlay	-	-	-	-	-	3,110
Utility operating expenses	-	-	-	-	-	5,460,005
Other disbursements	3,156	8,014	1,704,794	-	3,964,305	11,010,872
Total disbursements	3,156	8,014	1,704,794	-	3,964,305	19,093,342
Excess (deficiency) of receipts over disbursements	-	1,215	467,288	1,005,375	-	(2,147,739)
Cash and investments - ending	\$ -	\$ 1,215	\$ 467,288	\$ 1,005,375	\$ -	\$ 5,424,134

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

	SMSU SINKING	SMSU ONLINE PAYMENTS	SMSU IMPROVEMENT	SMSU PETTY CASH	SMSU DEBT RESERVE	TOTALS
Cash and investments - beginning	\$ 2,315	\$ -	\$ 69,915	\$ 150	\$ 374,028	\$ 13,967,051
Receipts:						
Taxes	-	-	-	-	-	10,991,971
Licenses and permits	-	-	-	-	-	76,239
Intergovernmental	-	-	-	-	-	5,672,558
Charges for services	-	-	-	-	-	456,136
Fines and forfeits	-	-	-	-	-	105,073
Utility fees	-	-	-	-	-	5,082,092
Other receipts	278,115	26,705	736	-	441,113	42,797,990
Total receipts	278,115	26,705	736	-	441,113	65,182,059
Disbursements:						
Personal services	-	-	-	-	-	11,669,787
Supplies	-	-	-	-	-	887,715
Other services and charges	-	-	-	-	-	2,476,978
Debt service - principal and interest	-	-	-	-	-	3,442,345
Capital outlay	-	-	-	-	-	1,684,901
Utility operating expenses	-	-	-	-	-	5,460,005
Other disbursements	280,430	15,751	-	-	815,141	40,840,385
Total disbursements	280,430	15,751	-	-	815,141	66,462,116
Excess (deficiency) of receipts over disbursements	(2,315)	10,954	736	-	(374,028)	(1,280,057)
Cash and investments - ending	\$ -	\$ 10,954	\$ 70,651	\$ 150	\$ -	\$ 12,686,994

CITY OF SEYMOUR
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 580,074	\$ -
Seymour Municipal Sewage Utility	352,349	575,447
Totals	\$ 932,423	\$ 575,447

CITY OF SEYMOUR
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:			
General obligation bonds	General Obligation Bonds of 2001	\$ 1,770,000	\$ 194,625
General obligation bonds	Seymour Facilities Building Bonds	3,395,000	430,513
Redevelopment Revenue Bonds	TIF Bonds of 2011	1,500,000	191,085
Loans	Police Software	61,486	32,365
Loans	Robo Trash Trucks	<u>640,823</u>	<u>226,492</u>
Total governmental activities		<u>7,367,309</u>	<u>1,075,080</u>
Seymour Municipal Sewage Utility:			
Revenue bonds	SRF Loan of 2001	13,654,990	1,618,275
Revenue bonds	SRF Loan of 2011	<u>3,954,305</u>	<u>212,497</u>
Total Seymour Municipal Sewage Utility		<u>17,609,295</u>	<u>1,830,772</u>
Totals		<u>\$ 24,976,604</u>	<u>\$ 2,905,852</u>

CITY OF SEYMOUR
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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.

	Ending Balance
Governmental activities:	
Land	\$ 632,950
Buildings	8,479,916
Improvements other than buildings	3,407,322
Machinery, equipment and vehicles	8,746,665
Total governmental activities	21,266,853
Seymour Municipal Sewage Utility:	
Land	112,575
Buildings	28,468,712
Improvements other than buildings	5,881,229
Machinery, equipment and vehicles	2,712,845
Total Seymour Municipal Sewage Utility	37,175,361
Total capital assets	\$ 58,442,214

CITY OF SEYMOUR
AUDIT RESULTS AND COMMENTS

ACCOUNT RECONCILIATIONS - PAYROLL WITHHOLDING FUNDS

The balance of all payroll withholding funds was \$60,528 as of December 31, 2011; however, 15 individual payroll withholdings funds had negative fund balances as of December 31, 2011. The balances ranged from (\$23) to (\$38,191). A reconciliation of these funds has not been performed by the City to determine the cause of the negative fund balances within the various payroll withholding funds.

At all times, the manual, and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns of Indiana, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting, for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines for Cities and Towns of Indiana, Chapter 7)

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

CONTRACTS

The City contracted with a financial consulting firm in May of 2008 for services for a one year period. Although the contract expired in 2009, the City has continued to pay for services each year. During 2011, payments totaling \$88,622 were made for financial consulting services without a written contract.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

COLLECTION OF FINES FOR MOVING TRAFFIC VIOLATIONS

As stated in the 2008 Examination Report (B35824), the 2009 Audit Report (B37083) and the 2010 Examination Report (B39841), the City collects fines for ordinance violations through an Ordinance Violations Bureau established in accordance with Indiana Code 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 section 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 of 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."

CITY OF SEYMOUR
AUDIT RESULTS AND COMMENTS
(Continued)

CREDIT CARD POLICY

As stated in the 2008 Examination Report (B35824), the 2009 Audit Report (B37083) and the 2010 Examination Report (B39841), 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 2011 and the City still does not have a 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:

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)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

Compliance

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

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

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

STATE BOARD OF ACCOUNTS

September 13, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

CITY OF SEYMOUR
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 HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Community Development Authority CDBG-State-Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Homeowner Repair and Improvement	14.228	DR-1OR-009-014	\$ 99,297
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Storm Drainage Study	14.228	PL-10-022	18,000
Total for cluster			117,297
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant Bulletproof Vest Partnership Program FY 2011	16.607		1,137
Direct Grant JAG Program Cluster Edward Byrne Memorial Justice Assistance Grant Program	16.738	DJ-BX-0692 DJ-BX-2631	16,021 12,197
Total for program			28,218
Total for federal grantor agency			29,355
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Second Street Road Reconstruction	20.205	Des #1005165	196,450
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	OP-11-02-0176 OP-12-04-0262	4,199 1,400
Total for cluster			5,599
Pass-Through Indiana Department of Transportation Formula Grants for Other Than Urbanized Areas Operating FY 2010 Operating FY 2011	20.509	18028A1700 18028A1700	27,244 82,874
ARRA - Formula Grants for Other Than Urbanized Areas Section 5311 Grant	20.509		53,757
Total for program			163,875
Total for federal grantor agency			365,924
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority Capitalization Grants for Clean Water State Revolving Funds State Revolving Funds 2011	66.458	WW10033602	1,783,937
<u>U.S. DEPARTMENT OF ENERGY</u>			
Pass-Through Office of Lieutenant Governor ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0000725	173,014
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR 1997	600,303
Interoperable Emergency Communications	97.055	2010-IP-T0-0037	3,712
Total for federal grantor agency			604,015
Total federal awards expended			\$ 3,073,542

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF SEYMOUR
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Seymour 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.

CITY OF SEYMOUR
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 deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
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?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF SEYMOUR
EXIT CONFERENCE

The contents of this report were discussed on September 13, 2012, with Fred D. Lewis, Clerk-Treasurer; Craig Luedeman, Mayor; and James W. Rebber, President of the Common Council. The officials concurred with our audit findings.