

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF SHELBYVILLE

SHELBY COUNTY, INDIANA

January 1, 2012 to December 31, 2013



**FILED**  
05/08/2015



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Frank M. Zerr	01-01-12 to 12-31-15
Mayor	Tom DeBaun	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Tom DeBaun	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Robert Nolley Brian D. Asher Jason Brown	01-01-12 to 12-31-12 01-01-13 to 12-31-14 01-01-15 to 12-31-15
Superintendent of Wastewater Utility	Bradley Fix	01-01-12 to 12-31-15
Superintendent of Storm Water Utility	Derrick Byers	01-01-12 to 12-31-15
Utility Office Manager	Sharon Bernard Beth Corley	01-01-12 to 02-28-13 03-01-13 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statement of the City of Shelbyville (City), for the period of January 1, 2012 to December 31, 2013. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our examination.

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

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the period of January 1, 2012 to December 31, 2013.

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 period of January 1, 2012 to December 31, 2013, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of 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 examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

The City's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the City's response and, accordingly, we express no opinion on it.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

February 20, 2015

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## FINANCIAL STATEMENT

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

CITY OF SHELBYVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
General Fund	\$ 171,100	\$ 13,519,212	\$ 13,249,376	\$ 440,936	\$ 12,551,381	\$ 12,211,501	\$ 780,816
Motor Vehicle Highway	86,367	694,451	652,163	128,655	764,988	639,038	254,605
Local Roads And Streets	17,243	79,455	93,337	3,361	80,284	59,290	24,355
Aviation Fund	115,415	199,798	240,627	74,586	209,017	223,098	60,505
Economic Development Commission Fund	2,521	-	-	2,521	-	-	2,521
N.R. Animal Shelter Fund	142,783	15,999	37,180	121,602	69,288	52,720	138,170
Community Economic Development Fund	78,320	68,422	23,374	123,368	72,047	62,111	133,304
Low Income Housing Fund	924	-	-	924	-	-	924
N.R. Police Continuing Education	12,468	39,189	9,807	41,850	30,179	46,734	25,295
N.R. Unsafe Building Fund	961	549	28	1,482	49	172	1,359
Riverboat Wagering Tax Fund	66,679	113,686	113,686	66,679	113,686	113,686	66,679
Drug Free Community Fund	1,595	-	5,273	(3,678)	24,000	8,024	12,298
Parks Department	228,876	1,566,370	1,664,828	130,418	1,190,637	1,304,993	16,062
Rainy Day Fund	-	993,564	993,564	-	-	-	-
Kroger Tif Fund	538,496	218,260	324,697	432,059	211,356	310,688	332,727
Cumulative Capital Development	9,393	278,872	288,463	(198)	292,058	280,517	11,343
Cumulative Capital Improvement	31,584	50,899	62,861	19,622	51,518	36,687	34,453
Insurance Fund	(174,699)	630,542	1,169,683	(713,840)	2,854,677	2,012,136	128,701
Police Pension Fund	953,174	448,511	486,832	914,853	368,692	487,532	796,013
Fire Pension Fund	597,054	336,475	369,005	564,524	358,592	369,112	554,004
Park Project Bond-Phase II	251,438	90,047	302,637	38,848	127,000	95,488	70,360
Accel IN Building Fund	2,168	601,468	600,000	3,636	600,931	600,000	4,567
Redev Community Park-Phase II	(77,182)	220,254	103,957	39,115	171,251	102,239	108,127
Fire Station Reserve	470,471	294	-	470,765	296	-	471,061
City Inv on Total Monies	3,471	5	-	3,476	4	-	3,480
Fairland Tif Fund	1,618,323	1,883,823	466,758	3,035,388	1,602,399	951,510	3,686,277
Excess Levy Fund	-	105,567	-	105,567	-	105,447	120
N.R. Donation Fund	36,186	17,017	16,637	36,566	29,469	19,113	46,922
N.R. Capital Ambulance Fund	26,007	10,000	4,035	31,972	8,028	38,251	1,749
Arson Investigation Fund	10	-	-	10	-	-	10
N.R. Police Training	303	-	-	303	-	-	303
N.R. Build Indiana Fund	405	-	-	405	-	-	405
Dare Fund	6,633	31,198	33,775	4,056	32,389	33,626	2,819
Wal-Mart Tif Fund	378,997	385,705	267,507	497,195	373,140	413,995	456,340
N.R.Park Operating	415,011	96,695	350,970	160,736	344,628	334,320	171,044
Industrial Development Fund	129	-	-	129	-	-	129
Water & Light Fund	681	562,428	471,435	91,674	542,896	268,478	366,092
N.R. Nuisance Fund	91,815	70,126	124,298	37,643	21,548	17,213	41,978
N.R. Aquatic Center Fund	409,875	-	284,164	125,711	118,462	145,795	98,378
Impaired Driving Fund	9,243	9,040	9,213	9,070	19,366	19,372	9,064
N.R. Plat Review Fee Fund	54,011	1,000	-	55,011	5,000	-	60,011
N.R. Map Fund	144	-	-	144	-	-	144

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



CITY OF SHELBYVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2012 and 2013  
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
Idgf-97-447-Fairland Road Fund	25,314	-	-	25,314	-	-	25,314
Fiber Technology Fund	(2,580)	6,000	1,066	2,354	3,000	1,246	4,108
Cdbg-Lof-#88-016 Fund	1,526	-	-	1,526	-	-	1,526
Edit Fund	1,913,529	1,526,517	935,781	2,504,265	1,168,088	1,580,066	2,092,287
Police In-Car Computer Fund	(855)	-	-	(855)	855	-	-
Knauf Tif Depreciation Fund	969,056	522	-	969,578	93	-	969,671
N.R. Park Development Fund	2,974	39,375	39,560	2,789	39,375	39,396	2,768
Annie Kent Trust Fund	1,333	8	-	1,341	4	4	1,341
Police Auction Fund	4,066	1,356	-	5,422	-	-	5,422
Knauf Tif Fund	1,593,159	1,149,014	589,850	2,152,323	1,539,570	949,204	2,742,689
Racino Wagering Fee Fund	4,422,641	3,112,330	2,091,925	5,443,046	3,396,964	5,392,858	3,447,152
2006 Park Project Debt Fund	51,699	420,450	322,068	150,081	297,931	322,034	125,978
Edit Bond Fund	5,795	191,566	191,566	5,795	195,613	195,613	5,795
Edit Debt Service Fund	249,121	165	-	249,286	53	238,000	11,339
Fire Station Bond Fund	192,788	452,538	446,900	198,426	437,842	446,000	190,268
Knauf Sinking Fund	49	-	-	49	-	-	49
EDIT Bond Sewer Construction Fund	544,293	396	-	544,689	665	-	545,354
Cumulative Thoroughfare Fund	(506,415)	357,593	350,785	(499,607)	511,096	-	11,489
Progress Parkway Construction Fund	108,693	56	-	108,749	187	150	108,786
River Road Construction Fund	238,263	66	-	238,329	409	328	238,410
Downtown Revitalization Fund	15,784	-	-	15,784	-	-	15,784
Indiana Firefighters Pension Fund	33,869	158,758	190,452	2,175	154,974	154,865	2,284
Indiana Police Pension Fund	32,528	141,780	172,842	1,466	136,419	130,698	7,187
Belaire Shopping Center Escrow	68	-	68	-	-	-	-
Payroll Clearing Fund	19,670	-	-	19,670	-	-	19,670
Perf Fund	4,456	7,740	9,962	2,234	10,077	8,166	4,145
Barrett Law Fund	4,853	-	-	4,853	-	-	4,853
Brownfield Grant Fund	(314)	-	-	(314)	314	-	-
Aviation Development Fund	452,071	572,252	624,753	399,570	407,129	185,426	621,273
Stormwater Perating Fund	1,278,114	825,437	908,995	1,194,556	874,481	829,899	1,239,138
Stormwater Sinking Fund	12,243	424,442	424,532	12,153	417,495	417,529	12,119
Stormwater Depreciation Fund	525,485	261	-	525,746	312	-	526,058
Stormwater Construction Fund	591,120	2,203	12,760	580,563	498	-	581,061
Wastewater Operating Fund	(519,764)	3,790,960	3,378,257	(107,061)	4,282,577	3,637,116	538,400
Wastewater Sinking Fund	24,406	940,471	940,581	24,296	937,605	938,183	23,718
Wastewater Depreciation Fund	746,836	273	613	746,496	499	113	746,882
Wastewater Construction	3,503	-	-	3,503	-	-	3,503
Wastewater Improvement Fund	1,807,987	428	-	1,808,415	551,008	-	2,359,423
Wastewater Perf Fund	5,712	9,458	11,703	3,467	9,025	9,081	3,411
Redevelopment Commission	-	-	-	-	70,942	57,076	13,866
Methodist Building	-	-	-	-	285,000	171,449	113,551
Certified Technology Park Fund	917,937	32,502	336,083	614,356	1,261,499	275,842	1,600,013
Totals	<u>\$ 22,349,406</u>	<u>\$ 37,503,838</u>	<u>\$ 34,801,272</u>	<u>\$ 25,051,972</u>	<u>\$ 40,230,855</u>	<u>\$ 37,343,228</u>	<u>\$ 27,939,599</u>

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

CITY OF SHELBYVILLE  
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, electric, gas, storm water, trash, aviation, 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 SHELBYVILLE  
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, ordinance violations, fines and fees.

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.

Penalties which include fees received for late payments.

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 SHELBYVILLE  
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 SHELBYVILLE  
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 a cost-sharing 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

CITY OF SHELBYVILLE  
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 SHELBYVILLE  
 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  
 One North Capitol, 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.

**Note 7. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash at December 31, 2012. The deficits originated primarily from past accounting practices and lower sewer rates. There were no funds with deficits in cash as of December 31, 2013.

**Note 8. Restatements**

For the year ended December 31, 2012, a change has been made to the beginning balance of the financial statement to more appropriately reflect financial activity of the City. The Medical Claims Account presented in the December 2011 financial statement will not be presented in the current financial statement. The following schedule presents a summary of the restated beginning balances.

Fund Name	Balance as of December 31, 2011	Prior Period Adjustment	Balance as of January 1, 2012
Medical Claims Account	\$ 159,068	\$ (159,068)	\$ -

CITY OF SHELBYVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 9. Subsequent Events**

Subsequent to the audit period, the City has issued EDIT Refunding Revenue Bonds of 2014 to refinance the 2004 - Redevelopment District - Progress Parkway bonds. The City has also issued Sewage Works Refunding Revenue Bonds of 2014 to refinance both the 2001 - Improvements to Sewage Works bonds and the 2003 - Infrastructure Improvements - River Road bonds. The City also has passed a Common Council resolution approving a third refunding issue. The refunding debt instruments were issued at lower interest rates and are expected to lower the City's future debt payments.

**Note 10. Other Postemployment Benefits**

The City provides life insurance to eligible retirees and health insurance to eligible retirees and their spouses. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.



## SUPPLEMENTARY INFORMATION - UNAUDITED

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

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

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012

	General Fund	Motor Vehicle Highway	Local Roads And Streets	Aviation Fund	Economic Development Commission Fund	N.R. Animal Shelter Fund	Community Economic Development Fund	Low Income Housing Fund	N.R. Police Continuing Education
Cash and investments - beginning	\$ 171,100	\$ 86,367	\$ 17,243	\$ 115,415	\$ 2,521	\$ 142,783	\$ 78,320	\$ 924	\$ 12,468
Receipts:									
Taxes	6,082,846	206,480	-	184,279	-	-	-	-	-
Licenses and permits	284,827	-	-	-	-	-	-	-	-
Intergovernmental	4,314,764	482,793	79,455	15,519	-	-	-	-	-
Charges for services	1,567,593	3,225	-	-	-	-	-	-	-
Fines and forfeits	22,581	-	-	-	-	15,979	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	1,246,601	1,953	-	-	-	20	68,422	-	39,189
Total receipts	13,519,212	694,451	79,455	199,798	-	15,999	68,422	-	39,189
Disbursements:									
Personal services	10,958,034	503,366	-	86,619	-	-	-	-	-
Supplies	429,999	87,674	-	43,216	-	-	-	-	-
Other services and charges	1,557,129	55,023	-	110,792	-	37,180	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	4,214	6,100	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	300,000	-	93,337	-	-	-	23,374	-	9,807
Total disbursements	13,249,376	652,163	93,337	240,627	-	37,180	23,374	-	9,807
Excess (deficiency) of receipts over disbursements	269,836	42,288	(13,882)	(40,829)	-	(21,181)	45,048	-	29,382
Cash and investments - ending	\$ 440,936	\$ 128,655	\$ 3,361	\$ 74,586	\$ 2,521	\$ 121,602	\$ 123,368	\$ 924	\$ 41,850

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	N.R. Unsafe Building Fund	Riverboat Wagering Tax Fund	Drug Free Community Fund	Parks Department	Rainy Day Fund	Kroger Tif Fund	Cumulative Capital Development	Cumulative Capital Improvement	Insurance Fund
Cash and investments - beginning	\$ 961	\$ 66,679	\$ 1,595	\$ 228,876	\$ -	\$ 538,496	\$ 9,393	\$ 31,584	\$ (174,699)
Receipts:									
Taxes	-	-	-	1,052,910	-	-	203,763	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	113,686	-	88,669	-	-	17,160	50,899	-
Charges for services	-	-	-	424,791	-	-	-	-	-
Fines and forfeits	549	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	993,564	218,260	57,949	-	630,542
Total receipts	549	113,686	-	1,566,370	993,564	218,260	278,872	50,899	630,542
Disbursements:									
Personal services	-	-	-	862,437	-	-	-	-	-
Supplies	-	-	-	73,763	-	-	-	-	-
Other services and charges	28	-	5,273	378,628	-	-	-	62,861	-
Debt service - principal and interest	-	-	-	-	-	238,635	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	113,686	-	350,000	993,564	86,062	288,463	-	1,169,683
Total disbursements	28	113,686	5,273	1,664,828	993,564	324,697	288,463	62,861	1,169,683
Excess (deficiency) of receipts over disbursements	521	-	(5,273)	(98,458)	-	(106,437)	(9,591)	(11,962)	(539,141)
Cash and investments - ending	\$ 1,482	\$ 66,679	\$ (3,678)	\$ 130,418	\$ -	\$ 432,059	\$ (198)	\$ 19,622	\$ (713,840)

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	Police Pension Fund	Fire Pension Fund	Park Project Bond-Phase II	Accel IN Building Fund	Redev Community Park-Phase II	Fire Station Reserve	City Inv on Total Monies	Fairland Tif Fund	Excess Levy Fund
Cash and investments - beginning	\$ 953,174	\$ 597,054	\$ 251,438	\$ 2,168	\$ (77,182)	\$ 470,471	\$ 3,471	\$ 1,618,323	\$ -
Receipts:									
Taxes	447,828	336,050	84,662	-	91,734	-	-	-	105,567
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	5,385	-	5,851	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	683	425	-	601,468	122,669	294	5	1,883,823	-
Total receipts	448,511	336,475	90,047	601,468	220,254	294	5	1,883,823	105,567
Disbursements:									
Personal services	486,732	358,362	-	-	-	-	-	-	-
Supplies	-	429	-	-	-	-	-	-	-
Other services and charges	100	10,214	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	50,938	-	58,470	-	-	449,500	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	251,699	600,000	45,487	-	-	17,258	-
Total disbursements	486,832	369,005	302,637	600,000	103,957	-	-	466,758	-
Excess (deficiency) of receipts over disbursements	(38,321)	(32,530)	(212,590)	1,468	116,297	294	5	1,417,065	105,567
Cash and investments - ending	\$ 914,853	\$ 564,524	\$ 38,848	\$ 3,636	\$ 39,115	\$ 470,765	\$ 3,476	\$ 3,035,388	\$ 105,567

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	N.R. Donation Fund	N.R. Capital Ambulance Fund	Arson Investigation Fund	N.R. Police Training	N.R. Build Indiana Fund	Dare Fund	Wal-Mart Tif Fund	N.R.Park Operating	Industrial Development Fund
Cash and investments - beginning	\$ 36,186	\$ 26,007	\$ 10	\$ 303	\$ 405	\$ 6,633	\$ 378,997	\$ 415,011	\$ 129
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	10,000	-	-	-	-	-	96,695	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	17,017	-	-	-	-	31,198	385,705	-	-
Total receipts	17,017	10,000	-	-	-	31,198	385,705	96,695	-
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	16,637	-	-	-	-	33,775	-	350,970	-
Debt service - principal and interest	-	-	-	-	-	-	256,597	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	4,035	-	-	-	-	10,910	-	-
Total disbursements	16,637	4,035	-	-	-	33,775	267,507	350,970	-
Excess (deficiency) of receipts over disbursements	380	5,965	-	-	-	(2,577)	118,198	(254,275)	-
Cash and investments - ending	\$ 36,566	\$ 31,972	\$ 10	\$ 303	\$ 405	\$ 4,056	\$ 497,195	\$ 160,736	\$ 129

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	Water & Light Fund	N.R. Nuisance Fund	N.R. Aquatic Center Fund	Impaired Driving Fund	N.R. Plat Review Fee Fund	N.R. Map Fund	Idg-97-447- Fairland Road Fund	Fiber Technology Fund	Cdbg-Lof- #88-016 Fund
Cash and investments - beginning	\$ 681	\$ 91,815	\$ 409,875	\$ 9,243	\$ 54,011	\$ 144	\$ 25,314	\$ (2,580)	\$ 1,526
Receipts:									
Taxes	520,186	-	-	9,040	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	42,242	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	70,126	-	-	1,000	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	6,000	-
Total receipts	<u>562,428</u>	<u>70,126</u>	<u>-</u>	<u>9,040</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	121,435	-	284,164	9,213	-	-	-	1,066	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	<u>350,000</u>	<u>124,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>471,435</u>	<u>124,298</u>	<u>284,164</u>	<u>9,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,066</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>90,993</u>	<u>(54,172)</u>	<u>(284,164)</u>	<u>(173)</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>4,934</u>	<u>-</u>
Cash and investments - ending	<u>\$ 91,674</u>	<u>\$ 37,643</u>	<u>\$ 125,711</u>	<u>\$ 9,070</u>	<u>\$ 55,011</u>	<u>\$ 144</u>	<u>\$ 25,314</u>	<u>\$ 2,354</u>	<u>\$ 1,526</u>

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	Edit Fund	Police In-Car Computer Fund	Knauf Tif Depreciation Fund	N.R. Park Development Fund	Annie Kent Trust Fund	Police Auction Fund	Knauf Tif Fund	Racino Wagering Fee Fund
Cash and investments - beginning	\$ 1,913,529	\$ (855)	\$ 969,056	\$ 2,974	\$ 1,333	\$ 4,066	\$ 1,593,159	\$ 4,422,641
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,465,341	-	-	-	-	-	-	3,109,872
Charges for services	-	-	-	39,375	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	61,176	-	522	-	8	1,356	1,149,014	2,458
Total receipts	1,526,517	-	522	39,375	8	1,356	1,149,014	3,112,330
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	589,850	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	935,781	-	-	39,560	-	-	-	2,091,925
Total disbursements	935,781	-	-	39,560	-	-	589,850	2,091,925
Excess (deficiency) of receipts over disbursements	590,736	-	522	(185)	8	1,356	559,164	1,020,405
Cash and investments - ending	\$ 2,504,265	\$ (855)	\$ 969,578	\$ 2,789	\$ 1,341	\$ 5,422	\$ 2,152,323	\$ 5,443,046

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	2006 Park Project Debt Fund	Edit Bond Fund	Edit Debt Service Fund	Fire Station Bond Fund	Knauf Sinking Fund	EDIT Bond Sewer Construction Fund	Cumulative Thoroughfare Fund	Progress Parkway Construction Fund
Cash and investments - beginning	\$ 51,699	\$ 5,795	\$ 249,121	\$ 192,788	\$ 49	\$ 544,293	\$ (506,415)	\$ 108,693
Receipts:								
Taxes	386,419	-	-	417,267	-	-	335,275	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	34,031	-	-	35,139	-	-	22,318	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	191,566	165	132	-	396	-	56
Total receipts	420,450	191,566	165	452,538	-	396	357,593	56
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	322,068	191,566	-	446,900	-	-	350,785	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	322,068	191,566	-	446,900	-	-	350,785	-
Excess (deficiency) of receipts over disbursements	98,382	-	165	5,638	-	396	6,808	56
Cash and investments - ending	\$ 150,081	\$ 5,795	\$ 249,286	\$ 198,426	\$ 49	\$ 544,689	\$ (499,607)	\$ 108,749



CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	River Road Construction Fund	Downtown Revitalization Fund	Indiana Firefighters Pension Fund	Indiana Police Pension Fund	Belaire Shopping Center Escrow	Payroll Clearing Fund	Perf Fund	Barrett Law Fund
Cash and investments - beginning	\$ 238,263	\$ 15,784	\$ 33,869	\$ 32,528	\$ 68	\$ 19,670	\$ 4,456	\$ 4,853
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	66	-	158,758	141,780	-	-	7,740	-
Total receipts	66	-	158,758	141,780	-	-	7,740	-
Disbursements:								
Personal services	-	-	-	-	-	-	9,962	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	68	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	190,452	172,842	-	-	-	-
Total disbursements	-	-	190,452	172,842	68	-	9,962	-
Excess (deficiency) of receipts over disbursements	66	-	(31,694)	(31,062)	(68)	-	(2,222)	-
Cash and investments - ending	\$ 238,329	\$ 15,784	\$ 2,175	\$ 1,466	\$ -	\$ 19,670	\$ 2,234	\$ 4,853

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	Brownfield Grant Fund	Aviation Development Fund	Stormwater Perating Fund	Stormwater Sinking Fund	Stormwater Depreciation Fund	Stormwater Construction Fund	Wastewater Operating Fund	Wastewater Sinking Fund
Cash and investments - beginning	\$ (314)	\$ 452,071	\$ 1,278,114	\$ 12,243	\$ 525,485	\$ 591,120	\$ (519,764)	\$ 24,406
Receipts:								
Taxes	-	276,126	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	283,251	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	823,830	-	-	-	3,760,746	-
Penalties	-	-	-	-	-	-	6,384	-
Other receipts	-	12,875	1,607	424,442	261	2,203	23,830	940,471
Total receipts	-	572,252	825,437	424,442	261	2,203	3,790,960	940,471
Disbursements:								
Personal services	-	-	142,040	-	-	-	813,809	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	5,000	-	-	-	142,484	-
Debt service - principal and interest	-	-	-	424,532	-	-	-	940,581
Capital outlay	-	-	161,031	-	-	-	119,415	-
Utility operating expenses	-	-	83,338	-	-	-	766,193	-
Other disbursements	-	624,753	517,586	-	-	12,760	1,536,356	-
Total disbursements	-	624,753	908,995	424,532	-	12,760	3,378,257	940,581
Excess (deficiency) of receipts over disbursements	-	(52,501)	(83,558)	(90)	261	(10,557)	412,703	(110)
Cash and investments - ending	\$ (314)	\$ 399,570	\$ 1,194,556	\$ 12,153	\$ 525,746	\$ 580,563	\$ (107,061)	\$ 24,296

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	Wastewater Depreciation Fund	Wastewater Construction	Wastewater Improvement Fund	Wastewater Perf Fund	Redevelopment Commission	Methodist Building	Certified Technology Park Fund	Totals
Cash and investments - beginning	\$ 746,836	\$ 3,503	\$ 1,807,987	\$ 5,712	\$ -	\$ -	\$ 917,937	\$ 22,349,406
Receipts:								
Taxes	-	-	-	-	-	-	-	10,740,432
Licenses and permits	-	-	-	-	-	-	-	284,827
Intergovernmental	-	-	-	-	-	-	-	9,883,124
Charges for services	-	-	-	-	-	-	32,502	2,457,432
Fines and forfeits	-	-	-	-	-	-	-	110,235
Utility fees	-	-	-	-	-	-	-	4,584,576
Penalties	-	-	-	-	-	-	-	6,384
Other receipts	273	-	428	9,458	-	-	-	9,436,828
Total receipts	273	-	428	9,458	-	-	32,502	37,503,838
Disbursements:								
Personal services	-	-	-	-	-	-	55,846	14,277,207
Supplies	-	-	-	-	-	-	1,415	636,496
Other services and charges	-	-	-	-	-	-	148,354	3,330,394
Debt service - principal and interest	-	-	-	-	-	-	96,934	4,417,356
Capital outlay	-	-	-	-	-	-	1,634	292,394
Utility operating expenses	-	-	-	11,703	-	-	-	861,234
Other disbursements	613	-	-	-	-	-	31,900	10,986,191
Total disbursements	613	-	-	11,703	-	-	336,083	34,801,272
Excess (deficiency) of receipts over disbursements	(340)	-	428	(2,245)	-	-	(303,581)	2,702,566
Cash and investments - ending	\$ 746,496	\$ 3,503	\$ 1,808,415	\$ 3,467	\$ -	\$ -	\$ 614,356	\$ 25,051,972

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	General Fund	Motor Vehicle Highway	Local Roads And Streets	Aviation Fund	Economic Development Commission Fund	N.R. Animal Shelter Fund	Community Economic Development Fund	Low Income Housing Fund	N.R. Police Continuing Education
Cash and investments - beginning	\$ 440,936	\$ 128,655	\$ 3,361	\$ 74,586	\$ 2,521	\$ 121,602	\$ 123,368	\$ 924	\$ 41,850
Receipts:									
Taxes	6,262,340	-	-	182,152	-	-	-	-	-
Licenses and permits	295,488	-	-	-	-	-	-	-	-
Intergovernmental	4,170,557	758,305	80,284	13,986	-	-	-	-	-
Charges for services	1,582,690	3,225	-	12,879	-	69,288	-	-	-
Fines and forfeits	5,712	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	234,594	3,458	-	-	-	-	72,047	-	30,179
Total receipts	12,551,381	764,988	80,284	209,017	-	69,288	72,047	-	30,179
Disbursements:									
Personal services	10,089,459	444,097	-	87,242	-	-	-	-	-
Supplies	502,843	115,461	-	28,275	-	-	-	-	-
Other services and charges	1,619,199	73,186	-	107,581	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	6,294	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	59,290	-	-	52,720	62,111	-	46,734
Total disbursements	12,211,501	639,038	59,290	223,098	-	52,720	62,111	-	46,734
Excess (deficiency) of receipts over disbursements	339,880	125,950	20,994	(14,081)	-	16,568	9,936	-	(16,555)
Cash and investments - ending	\$ 780,816	\$ 254,605	\$ 24,355	\$ 60,505	\$ 2,521	\$ 138,170	\$ 133,304	\$ 924	\$ 25,295

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	N.R. Unsafe Building Fund	Riverboat Wagering Tax Fund	Drug Free Community Fund	Parks Department	Rainy Day Fund	Kroger Tif Fund	Cumulative Capital Development	Cumulative Capital Improvement	Insurance Fund
Cash and investments - beginning	\$ 1,482	\$ 66,679	\$ (3,678)	\$ 130,418	\$ -	\$ 432,059	\$ (198)	\$ 19,622	\$ (713,840)
Receipts:									
Taxes	-	-	-	886,166	-	-	195,218	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	113,686	24,000	68,041	-	-	14,989	51,518	-
Charges for services	-	-	-	10,126	-	-	-	-	-
Fines and forfeits	49	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	226,304	-	211,356	81,851	-	2,854,677
Total receipts	49	113,686	24,000	1,190,637	-	211,356	292,058	51,518	2,854,677
Disbursements:									
Personal services	-	-	-	854,598	-	-	-	-	-
Supplies	-	-	-	71,978	-	-	-	-	-
Other services and charges	172	-	8,024	378,417	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	310,688	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	113,686	-	-	-	-	280,517	36,687	2,012,136
Total disbursements	172	113,686	8,024	1,304,993	-	310,688	280,517	36,687	2,012,136
Excess (deficiency) of receipts over disbursements	(123)	-	15,976	(114,356)	-	(99,332)	11,541	14,831	842,541
Cash and investments - ending	\$ 1,359	\$ 66,679	\$ 12,298	\$ 16,062	\$ -	\$ 332,727	\$ 11,343	\$ 34,453	\$ 128,701

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Police Pension Fund	Fire Pension Fund	Park Project Bond-Phase II	Accel IN Building Fund	Redev Community Park-Phase II	Fire Station Reserve	City Inv on Total Monies	Fairland Tif Fund	Excess Levy Fund
Cash and investments - beginning	\$ 914,853	\$ 564,524	\$ 38,848	\$ 3,636	\$ 39,115	\$ 470,765	\$ 3,476	\$ 3,035,388	\$ 105,567
Receipts:									
Taxes	367,319	357,885	-	-	162,169	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	9,082	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	1,373	707	127,000	600,931	-	296	4	1,602,399	-
Total receipts	<u>368,692</u>	<u>358,592</u>	<u>127,000</u>	<u>600,931</u>	<u>171,251</u>	<u>296</u>	<u>4</u>	<u>1,602,399</u>	<u>-</u>
Disbursements:									
Personal services	487,432	358,845	-	-	-	-	-	-	-
Supplies	-	1,196	-	-	-	-	-	-	-
Other services and charges	100	9,071	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	95,488	-	102,239	-	-	951,500	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	600,000	-	-	-	10	105,447
Total disbursements	<u>487,532</u>	<u>369,112</u>	<u>95,488</u>	<u>600,000</u>	<u>102,239</u>	<u>-</u>	<u>-</u>	<u>951,510</u>	<u>105,447</u>
Excess (deficiency) of receipts over disbursements	<u>(118,840)</u>	<u>(10,520)</u>	<u>31,512</u>	<u>931</u>	<u>69,012</u>	<u>296</u>	<u>4</u>	<u>650,889</u>	<u>(105,447)</u>
Cash and investments - ending	<u>\$ 796,013</u>	<u>\$ 554,004</u>	<u>\$ 70,360</u>	<u>\$ 4,567</u>	<u>\$ 108,127</u>	<u>\$ 471,061</u>	<u>\$ 3,480</u>	<u>\$ 3,686,277</u>	<u>\$ 120</u>

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	N.R. Donation Fund	N.R. Capital Ambulance Fund	Arson Investigation Fund	N.R. Police Training	N.R. Build Indiana Fund	Dare Fund	Wal-Mart Tif Fund	N.R.Park Operating	Industrial Development Fund
Cash and investments - beginning	\$ 36,566	\$ 31,972	\$ 10	\$ 303	\$ 405	\$ 4,056	\$ 497,195	\$ 160,736	\$ 129
Receipts:									
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Charges for services	-	8,028	-	-	-	-	-	344,628	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	29,469	-	-	-	-	32,389	373,140	-	-
Total receipts	29,469	8,028	-	-	-	32,389	373,140	344,628	-
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	19,113	-	-	-	-	33,626	-	334,320	-
Debt service - principal and interest	-	-	-	-	-	-	413,995	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	38,251	-	-	-	-	-	-	-
Total disbursements	19,113	38,251	-	-	-	33,626	413,995	334,320	-
Excess (deficiency) of receipts over disbursements	10,356	(30,223)	-	-	-	(1,237)	(40,855)	10,308	-
Cash and investments - ending	\$ 46,922	\$ 1,749	\$ 10	\$ 303	\$ 405	\$ 2,819	\$ 456,340	\$ 171,044	\$ 129

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Water & Light Fund	N.R. Nuisance Fund	N.R. Aquatic Center Fund	Impaired Driving Fund	N.R. Plat Review Fee Fund	N.R. Map Fund	Idgf-97-447- Fairland Road Fund	Fiber Technology Fund	Cdbg-Lof- #88-016 Fund
Cash and investments - beginning	\$ 91,674	\$ 37,643	\$ 125,711	\$ 9,070	\$ 55,011	\$ 144	\$ 25,314	\$ 2,354	\$ 1,526
Receipts:									
Taxes	504,184	-	-	19,366	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	38,712	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	5,000	-	-	-	-
Fines and forfeits	-	21,548	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	-	-	118,462	-	-	-	-	3,000	-
Total receipts	<u>542,896</u>	<u>21,548</u>	<u>118,462</u>	<u>19,366</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Disbursements:									
Personal services	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-
Other services and charges	268,478	-	145,795	19,372	-	-	-	1,246	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	17,213	-	-	-	-	-	-	-
Total disbursements	<u>268,478</u>	<u>17,213</u>	<u>145,795</u>	<u>19,372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,246</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>274,418</u>	<u>4,335</u>	<u>(27,333)</u>	<u>(6)</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>1,754</u>	<u>-</u>
Cash and investments - ending	<u>\$ 366,092</u>	<u>\$ 41,978</u>	<u>\$ 98,378</u>	<u>\$ 9,064</u>	<u>\$ 60,011</u>	<u>\$ 144</u>	<u>\$ 25,314</u>	<u>\$ 4,108</u>	<u>\$ 1,526</u>



CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Edin Fund	Police In-Car Computer Fund	Knauf Tif Depreciation Fund	N.R. Park Development Fund	Annie Kent Trust Fund	Police Auction Fund	Knauf Tif Fund	Racino Wagering Fee Fund
Cash and investments - beginning	\$ 2,504,265	\$ (855)	\$ 969,578	\$ 2,789	\$ 1,341	\$ 5,422	\$ 2,152,323	\$ 5,443,046
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,106,222	-	-	-	-	-	-	3,393,708
Charges for services	-	-	-	39,375	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	61,866	855	93	-	4	-	1,539,570	3,256
Total receipts	1,168,088	855	93	39,375	4	-	1,539,570	3,396,964
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	949,204	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	1,580,066	-	-	39,396	4	-	-	5,392,858
Total disbursements	1,580,066	-	-	39,396	4	-	949,204	5,392,858
Excess (deficiency) of receipts over disbursements	(411,978)	855	93	(21)	-	-	590,366	(1,995,894)
Cash and investments - ending	\$ 2,092,287	\$ -	\$ 969,671	\$ 2,768	\$ 1,341	\$ 5,422	\$ 2,742,689	\$ 3,447,152

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	2006 Park Project Debt Fund	Edit Bond Fund	Edit Debt Service Fund	Fire Station Bond Fund	Knauf Sinking Fund	EDIT Bond Sewer Construction Fund	Cumulative Thoroughfare Fund	Progress Parkway Construction Fund
Cash and investments - beginning	\$ 150,081	\$ 5,795	\$ 249,286	\$ 198,426	\$ 49	\$ 544,689	\$ (499,607)	\$ 108,749
Receipts:								
Taxes	276,687	-	-	406,576	-	-	350,470	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	21,244	-	-	31,218	-	-	20,626	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	195,613	53	48	-	665	140,000	187
Total receipts	<u>297,931</u>	<u>195,613</u>	<u>53</u>	<u>437,842</u>	<u>-</u>	<u>665</u>	<u>511,096</u>	<u>187</u>
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	322,034	-	238,000	446,000	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	195,613	-	-	-	-	-	150
Total disbursements	<u>322,034</u>	<u>195,613</u>	<u>238,000</u>	<u>446,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>
Excess (deficiency) of receipts over disbursements	<u>(24,103)</u>	<u>-</u>	<u>(237,947)</u>	<u>(8,158)</u>	<u>-</u>	<u>665</u>	<u>511,096</u>	<u>37</u>
Cash and investments - ending	<u>\$ 125,978</u>	<u>\$ 5,795</u>	<u>\$ 11,339</u>	<u>\$ 190,268</u>	<u>\$ 49</u>	<u>\$ 545,354</u>	<u>\$ 11,489</u>	<u>\$ 108,786</u>

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	River Road Construction Fund	Downtown Revitalization Fund	Indiana Firefighters Pension Fund	Indiana Police Pension Fund	Belaire Shopping Center Escrow	Payroll Clearing Fund	Perf Fund	Barrett Law Fund
Cash and investments - beginning	\$ 238,329	\$ 15,784	\$ 2,175	\$ 1,466	\$ -	\$ 19,670	\$ 2,234	\$ 4,853
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	409	-	154,974	136,419	-	-	10,077	-
Total receipts	409	-	154,974	136,419	-	-	10,077	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	328	-	154,865	130,698	-	-	8,166	-
Total disbursements	328	-	154,865	130,698	-	-	8,166	-
Excess (deficiency) of receipts over disbursements	81	-	109	5,721	-	-	1,911	-
Cash and investments - ending	\$ 238,410	\$ 15,784	\$ 2,284	\$ 7,187	\$ -	\$ 19,670	\$ 4,145	\$ 4,853

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Brownfield Grant Fund	Aviation Development Fund	Stormwater Perating Fund	Stormwater Sinking Fund	Stormwater Depreciation Fund	Stormwater Construction Fund	Wastewater Operating Fund	Wastewater Sinking Fund
Cash and investments - beginning	\$ (314)	\$ 399,570	\$ 1,194,556	\$ 12,153	\$ 525,746	\$ 580,563	\$ (107,061)	\$ 24,296
Receipts:								
Taxes	-	158,333	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	238,622	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	861,503	-	-	-	4,255,584	-
Other receipts	314	10,174	12,978	417,495	312	498	26,993	937,605
Total receipts	314	407,129	874,481	417,495	312	498	4,282,577	937,605
Disbursements:								
Personal services	-	-	244,091	-	-	-	828,682	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	4,000	-	-	-	144,103	-
Debt service - principal and interest	-	-	-	417,529	-	-	-	937,683
Capital outlay	-	-	83,155	-	-	-	178,076	-
Utility operating expenses	-	-	31,978	-	-	-	911,789	-
Other disbursements	-	185,426	466,675	-	-	-	1,574,466	500
Total disbursements	-	185,426	829,899	417,529	-	-	3,637,116	938,183
Excess (deficiency) of receipts over disbursements	314	221,703	44,582	(34)	312	498	645,461	(578)
Cash and investments - ending	\$ -	\$ 621,273	\$ 1,239,138	\$ 12,119	\$ 526,058	\$ 581,061	\$ 538,400	\$ 23,718

CITY OF SHELBYVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013  
 (Continued)

	Wastewater Depreciation Fund	Wastewater Construction	Wastewater Improvement Fund	Wastewater Perf Fund	Redevelopment Commission	Methodist Building	Certified Technology Park Fund	Totals
Cash and investments - beginning	\$ 746,496	\$ 3,503	\$ 1,808,415	\$ 3,467	\$ -	\$ -	\$ 614,356	\$ 25,051,972
Receipts:								
Taxes	-	-	-	-	-	-	1,261,499	11,390,364
Licenses and permits	-	-	-	-	-	-	-	295,488
Intergovernmental	-	-	-	-	-	-	-	9,916,178
Charges for services	-	-	-	-	70,942	-	-	2,384,803
Fines and forfeits	-	-	-	-	-	-	-	27,309
Utility fees	-	-	-	-	-	-	-	5,117,087
Other receipts	499	-	551,008	9,025	-	285,000	-	11,099,626
Total receipts	499	-	551,008	9,025	70,942	285,000	1,261,499	40,230,855
Disbursements:								
Personal services	-	-	-	-	53,291	-	5,424	13,453,161
Supplies	-	-	-	-	609	-	910	721,272
Other services and charges	-	-	-	-	3,176	-	162,513	3,331,492
Debt service - principal and interest	-	-	-	-	-	-	94,120	5,278,480
Capital outlay	-	-	-	-	-	-	-	267,525
Utility operating expenses	-	-	-	9,081	-	-	-	952,848
Other disbursements	113	-	-	-	-	171,449	12,875	13,338,450
Total disbursements	113	-	-	9,081	57,076	171,449	275,842	37,343,228
Excess (deficiency) of receipts over disbursements	386	-	551,008	(56)	13,866	113,551	985,657	2,887,627
Cash and investments - ending	\$ 746,882	\$ 3,503	\$ 2,359,423	\$ 3,411	\$ 13,866	\$ 113,551	\$ 1,600,013	\$ 27,939,599

CITY OF SHELBYVILLE  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Airport	\$ 13,543	\$ -
Storm Water	2,273	-
Wastewater	85,876	472,290
Intelliplex Park	4,093	2,200
Governmental activities	<u>259,569</u>	<u>-</u>
Totals	<u>\$ 365,354</u>	<u>\$ 474,490</u>

CITY OF SHELBYVILLE  
SCHEDULE OF DEBT  
December 31, 2013

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	1998-Michigan Rd. Improvements	\$ 285,000	\$ 70,500
General obligation bonds	2011- Fairland Road and Street Improvements	11,195,000	990,412
General obligation bonds	2011-Fire Station #2	5,475,207	469,338
General obligation bonds	2011-Park Project-Phase II-Park Bond #3	1,140,000	94,498
General obligation bonds	2009-Purchase Option IWU Building	495,000	96,206
General obligation bonds	2005-Park Project-Phase I-Park Bond #1-Estimated Prin & Int.	3,630,000	256,000
General obligation bonds	2011-Park Project-Phase II-Redev. Bond	1,255,000	105,695
General obligation bonds	2005 Lease-Right-of-Way & Road Improvements	1,460,000	169,563
General obligation bonds	2004-Redevelopment District-Progress Parkway	3,195,000	351,186
General obligation bonds	2005-Fire Station #1	4,085,000	440,311
General obligation bonds	2006-Park Project-Park Bond #2	1,040,000	320,462
Revenue bonds	2007A-Infrastructure Improvements-Knauf	8,965,000	959,401
Revenue bonds	2001-Improvements to Sewage Works	1,225,000	193,713
Revenue bonds	2007B-Knauf Project	4,587,279	210,000
Notes and Loans Payable	2004/ 2005 Aviation	126,826	69,136
Notes and Loans Payable	2005 Porter Pool House	94,796	39,396
Total governmental activities		<u>48,254,108</u>	<u>4,835,817</u>
Storm Water:			
Revenue bonds	2003-Infrastructure Improvements-River Road	2,190,000	264,396
Wastewater:			
Revenue bonds	2005-Improvements & Extension to the Utility	5,260,000	508,498
Revenue bonds	2006-Refunding 2003 and 2005 Bonds	3,335,000	581,020
Total Wastewater		<u>8,595,000</u>	<u>1,089,518</u>
Totals		<u>\$ 59,039,108</u>	<u>\$ 6,189,731</u>

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CITY OF SHELBYVILLE  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2013

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	\$ 5,055,620
Infrastructure	26,601,566
Buildings	15,276,174
Improvements other than buildings	3,598,646
Machinery, equipment, and vehicles	6,760,821
Total governmental activities	57,292,827
Airport:	
Land	3,100,241
Buildings	2,860,068
Improvements other than buildings	5,553,300
Machinery, equipment, and vehicles	238,607
Total Airport	11,752,216
Storm Water:	
Infrastructure	14,658,643
Machinery, equipment, and vehicles	137,709
Total Storm Water	14,796,352
Wastewater:	
Land	16,000
Infrastructure	14,089,681
Buildings	25,076,862
Machinery, equipment, and vehicles	1,270,339
Construction in progress	1,097,971
Total Wastewater	41,550,853
Total capital assets	\$ 125,392,248

CITY OF SHELBYVILLE  
EXAMINATION RESULTS AND COMMENTS

***INTERNAL CONTROLS JOINT ACCOUNTS***

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities related to the medical claims account and flexible spending account were insufficient.

The City contracted with a third-party administrator to process medical insurance claims and flexible spending account claims on behalf of City employees.

The City set up two joint bank accounts with the third-party administrator. One bank account was used for the processing of medical insurance claims and the second bank account was used for the processing of flexible spending account claims.

The City transferred monies to the joint bank account used for the flexible spending accounts at the beginning of the year based on paperwork signed by the City employees during open enrollment.

Each City employee who utilized flexible spending accounts established an annual allotment. The employee was responsible for paying the service providers for the specific services that he/she received. The service providers forwarded these paid claims along with evidence of employee payment to the third-party administrator. The third-party administrator processed the transactions and monitored each employee's remaining flexible spending account allotment. For the instances in which the employees did not exceed their annual allotment, then the third-party administrator wrote a check to the employee reimbursing the employee for the money he or she previously paid to the provider.

The City transferred monies to the joint bank account used for the medical insurance claims on a weekly basis based on claims processed (but unpaid) by the third-party administrator during the previous week. The third-party administrator, after receiving funding from the City, remitted checks to the vendors.

The City received monthly bank statements and check registers for both accounts from the third-party administrator. The Deputy Clerk-Treasurer at the City compared the bank statement to the check register to ensure that all checks clearing the bank were included on the check register. This was done every month. No further procedures to reconcile the remaining monies in the bank accounts were conducted.

The transactions for these accounts were not accounted for on the City's financial records. Both accounts were similar to clearing accounts and the receipt transactions, disbursement transactions, and account balances should have been recorded on the City's financial records.

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, Chapter 7)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF SHELBYVILLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**APPROPRIATIONS**

The records presented for examination indicated the following expenditures in excess of budgeted appropriations.

Fund	Years	Excess Amount Expended
Park Project Bond - Phase II	2012	\$ 251,699
Cumulative Thoroughfare Fund	2012	350,785
Fire Station Bond Fund	2012	900
Parks Department	2012	333,825
Redev Community Park - Phase II	2012	500
Park Project Bond - Phase II	2013	450
2006 Park Project Debt Fund	2013	968

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

**BANK ACCOUNT RECONCILIATIONS**

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the portion of the City's monthly bank reconciliation associated with the Payroll Clearing Fund included an amount that cannot be identified to specific transactions.

This unidentified amount was present in each reconciliation during the examination period and the amount varied each month.

A review of the City's financial records indicated the ledger balance for the Payroll Clearing Fund remained constant during the examination period. The unidentified amount shown on the City's Payroll Clearing Fund bank reconciliation was the exact amount needed in order for the bank reconciliation to match the recorded ledger balance.

Employees of the Clerk-Treasurer's Office indicated that some payroll transactions were posted in a multitude of different places on the City records, but were combined and shown differently in the bank statement. The staff at the City indicated that they have not yet identified the underlying sources of some of these differences.

After examination of the year-end bank reconciliations and allowing for necessary adjustments that were identified, the unidentified difference included in the payroll portion of the bank reconciliation was \$3,060 at December 31, 2012, and (\$15,152) at December 31, 2013.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

CITY OF SHELBYVILLE  
EXIT CONFERENCE

The contents of this report were discussed on February 20, 2015, with Frank M. Zerr, Clerk-Treasurer; Tom DeBaun, Mayor; and Brenda Ogden, Deputy Clerk-Treasurer.

SHELBYVILLE



INDIANA

*Office of the City Clerk-Treasurer*

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

*FRANK M. ZERR*

February 27, 2015

To: State Board of Accounts

Re: Official Response after Exit Conference

I met this morning with my First Deputy, our consultant for the last couple of months while my First Deputy was on short-term disability, the City's Personnel Director, the City's Insurance agent, and officials from Unified Group Services and First Financial Bank. We met to see if we could find ways to improve internal controls on joint accounts, and balance the records to monthly financial statements. Both Unified and First Financial said they would make changes in their systems to better help us reconcile records more efficiently. We will continue to work on integrating this into our monthly financial reports.

Concerning bank account reconciliation on payroll, we are working with our consultant, and still acclimating ourselves with payroll imported into our new fund system to rectify the problem.

Sincerely,

Frank M. Zerr, Clerk-Treasurer  
City of Shelbyville, IN 46176