

**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, 2013 to December 31, 2013



**FILED**  
05/14/2015



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Fred D. Lewis	01-01-12 to 12-31-15
Mayor	Craig Luedeman	01-01-12 to 12-31-15
President of the Board of Public Works	Craig Luedeman	01-01-13 to 12-31-15
President Pro Tempore of the Common Council	James W. Rebber	01-01-13 to 12-31-15



# STATE OF INDIANA

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## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the City of Seymour (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 of the financial statement, 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 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2013.

***Opinion on Regulatory Basis of Accounting***

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, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated April 9, 2015, 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* in considering the City's internal control over financial reporting and compliance.


***Accompanying Information***

*Supplementary Information*

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 records 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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.

  
Paul D. Joyce, CPA  
State Examiner

April 9, 2015



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## INDEPENDENT AUDITOR'S 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, 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, the financial statement of the City of Seymour (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated April 9, 2015, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

### ***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001 to be material weaknesses.

### ***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



INDEPENDENT AUDITOR'S 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)


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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

***City of Seymour's Response to Findings***

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

April 9, 2015

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL FUND	\$ 436,053	\$ 17,166,083	\$ 17,206,700	\$ 395,436
MVH	160,664	725,148	885,520	292
LOCAL ROAD AND STREET	251,138	82,138	64,377	268,899
THOROUGHFARE	22,598	-	-	22,598
PARK & REC. ACTIVITY N.R.	104,691	16,896	54,211	67,376
ECONOMIC DEVELOPMENT	10,404	-	-	10,404
LANDFILL COST NON-REVERT.	125,621	233,701	212,230	147,092
LAW ENFORCEMENT TRAINING	10,013	32,182	33,451	8,744
PARK & RECREATION FUND	151,615	1,038,519	1,102,190	87,944
RAINY DAY FUND	46,190	-	40,000	6,190
FIRE DEPT-HAZARDOUS WASTE	18,462	-	4,409	14,053
POLICE SEIZURE FUND	51,323	16,824	24,678	43,469
LEVY EXCESS	92,345	4,000,000	4,092,345	-
CERTIFIED TECHNOLOGY PARK 2012	-	686,447	686,447	-
CUMULATIVE CAPITAL DEV.	306,217	392,996	490,108	209,105
RDC CAPITAL 2011	327,306	685	327,991	-
RDC BOND & INTEREST 2011	501	189,248	189,296	453
CUMULATIVE FIRE EQUIPMENT	243,360	24,931	69,324	198,967
EDIT TAX FUND	60,059	674,133	670,000	64,192
CUMULATIVE CAPITAL IMPR.	132,667	46,987	100,000	79,654
TIF BURKART DR./1-65 ALLO	137,130	682,724	728,123	91,731
POLICE PENSION	440,969	380,094	529,663	291,400
FIRE PENSION	397,884	487,433	521,857	363,460
ELECTRICAL LICENSING	13,948	3,510	3,790	13,668
POLICE DEPT. PETTY CASH	150	-	-	150
DEPT. OF PUBLIC WORKS PETTY CASH	100	-	-	100
RDC DEBT RESERVE 2011	165,451	166	-	165,617
INDIANA FIRE PENSION	(11,307)	11,307	-	-
INDIANA POLICE PENSION	(588)	588	-	-
BONDS & INT. 2005 & 2010	225,787	653,255	637,121	241,921
RECYCLING FUND	14,561	34,917	24,900	24,578
POLICE SOFT DRINK NON-REV	216	1,703	985	934
FIRE DEPT. EDUCATIONAL N.R	28,287	1,418	1,310	28,395
2013 GO BOND PROJECT	-	1,995,000	60,000	1,935,000
CITY HALL CONCESSION FUND	-	1,323	822	501
CITY DEPT. OF PUBLIC WORKS	13,361	4,227	3,832	13,756
GRANT HOLDING FUND	96,831	1,264,406	510,056	851,181
REGION XI	31,466	8,522	5,310	34,678
SEYMOUR COMMUNITY CENTER	26,092	7,530	4,061	29,561
PARK & REC. LEAGUE N.R.	77,902	35,882	29,056	84,728
PARK & REC. PETTY CASH	500	-	-	500
POLICE ALCOHOL & DRUG	3,232	-	-	3,232
D.A.R.E. POLICE FUND	6,190	4,315	8,659	1,846
PAYROLL-FEDERAL W/H	(63)	957,929	957,929	(63)
PAYROLL-FICA	-	207,352	207,352	-
PAYROLL-MEDICARE	-	105,852	105,852	-
PAYROLL-STATE W/H	19,452	288,803	288,810	19,445
PAYROLL-COUNTY W/H	20,394	118,280	118,618	20,056
PAYROLL-PERF	37,186	5,826	43,012	-
GARNISHMENT 1	(6,260)	6,260	-	-
VSP VISION INSURANCE	(6,315)	23,383	24,189	(7,121)
PAYROLL-INDIANA POLICE	10,245	125,499	135,706	38
IRWIN UNION BANK SAVINGS	-	1,250	1,250	-
PAYROLL-IND. FIRE PENSION	10,507	128,717	139,224	-
CHASE BANK	-	37,448	37,448	-
WOODFOREST NATIONAL BANK	-	24,489	24,489	-
GARNISHMENT 2	-	10,223	10,223	-
GARNISHMENT 4	-	2,860	2,860	-
GARNISHMENT 5	-	4,992	4,992	-
GARNISHMENT 6	-	6,933	6,933	-
Business & Industrial Federal Credit Union	-	24,928	24,928	-
GARNISHMENT 7	161	-	-	161
PAYROLL-FILING FEES	-	710	710	-
PAYROLL-UNITED FUND	-	4,237	4,237	-
PAYROLL-CHRISTMAS CLUB	-	93,653	93,653	-
SCOTT COUNTY TAX	298	1,180	1,179	299
SIHO	59,965	1,553,036	1,610,373	2,628
PAYROLL-SAVINGS PLAN	-	131,520	131,520	-
PAYROLL-POLICE DUES	-	6,663	6,663	-
PAYROLL-FIRE DUES	-	9,600	9,600	-
PAYROLL-NATIONWIDE RET SO	-	45,975	45,975	-
PAYROLL-FRANKLIN LIFE	70	2,220	2,220	70
PAYROLL-AFLAC	1,399	5,350	6,736	13

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, 2013  
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
JENNINGS COUNTY TAX	287	3,035	3,056	266
CITY SHARE FICA	-	252,509	252,509	-
CITY SH MEDICARE	-	57,989	57,989	-
CITY SHARE PERF	12,514	1,252,583	1,261,288	3,809
CITY SHARE UNEMPLOYMENT	-	32,967	32,967	-
NET PAYROLL	(6,756)	1,867,841	1,866,785	(5,700)
WASHINGTON COUNTY TAX	118	1,272	1,279	111
GARNISHMENT 8	(433)	433	-	-
GARNISHMENT 9	-	4,096	4,096	-
GARNISHMENT 10	-	940	940	-
JACKSON COUNTY BANK	-	1,460,213	1,460,213	-
NATIONAL CITY BANK	-	448,464	448,464	-
IBT/Old National Bank	-	524,877	524,877	-
CENTRA CREDIT UNION	-	712,356	712,356	-
IRWIN UNION BANK	-	247,882	247,882	-
WELLS FARGO BANK	-	8,095	8,095	-
GARNISHMENT 11	-	2,340	2,340	-
Rivervalley Financial Bank	-	84,443	84,443	-
GARNISHMENT 12	-	645	645	-
OLD NATIONAL BANK	-	15,318	15,318	-
GARNISHMENT 13	-	11,316	11,316	-
GARNISHMENT 14	-	9,464	9,464	-
GARNISHMENT 15	-	9,387	9,387	-
AMSOUTH BANK OF FLORIDA D	-	16,008	16,008	-
GARNISHMENT 16	-	6,450	6,450	-
GARNISHMENT 17	-	394	394	-
SAVINGS IBT/Old National Bank	-	25	25	-
PEOPLES BANK	-	226,095	226,095	-
Ameritas Life Ins Corp. (DENTAL)	(22,675)	55,344	53,386	(20,717)
DIRECT DEPOSIT-ELI LILLY	-	38,344	38,344	-
NATIONAL CITY BANK/SOUTHE	-	63,538	63,538	-
BANK OF AMERICA	-	25,240	25,240	-
DD CENTRA CREDIT SAVINGS	-	4,445	4,445	-
GARNISHMENT 19	-	9,724	9,724	-
MARION COUNTY TAX	(203)	1,253	824	226
AUL LOAN PAYBACK	-	6,286	6,286	-
GARNISHMENT 20	-	11,211	11,211	-
GARNISHMENT 21	-	1,595	1,595	-
BARTHOLOMEW COUNTY TAX	305	1,351	1,346	310
GARNISHMENT 22	-	4,875	4,875	-
DD STATE BANK OF MEDORA	-	79,273	79,273	-
HUNTINGTON BANK	-	6,188	6,188	-
BLOOMFIELD STATE BANK	-	37,886	37,886	-
Indiana Members Credit Union	-	14,824	14,824	-
AUL DEFERRED COMP	-	110,542	110,542	-
AFLAC LIFE INSURANCE	(94)	1,014	920	-
MEMBERS CHOICE FCU	-	3,024	3,024	-
AFLAC/CAIC	(770)	23,815	23,039	6
Madison County Tax	90	69	159	-
Midland Mortgage	-	6,755	6,755	-
GARNISHMENT 23	-	519	519	-
Main Source Bank	-	210,728	210,728	-
Decatur County Tax	38	393	394	37
Jefferson County Tax	10	157	155	12
H&R Block Bank/Emerald Card	-	8,493	8,493	-
GARNISHMENT 24	-	1,760	1,760	-
MetLife Dental	-	49,791	59,997	(10,206)
GARNISHMENT 25	-	1,140	1,140	-
GARNISHMENT 26	-	2,706	2,706	-
SRFFWW CONSTRUCTION	-	46,070	46,070	-
SMSU OPERATING	4,117,584	28,379,039	28,973,757	3,522,866
SMSU ON-LINE PAYMENTS	22,378	332,298	316,458	38,218
SMSU IMPROVEMENT	70,651	-	-	70,651
SRF BOND & INTEREST	1,502,444	1,621,382	2,204,999	918,827
SMSU PETTY CASH	150	-	-	150
SRF DEBT RESERVE	1,233,656	187,474	-	1,421,130
Totals	\$ 11,295,722	\$ 73,446,389	\$ 72,964,784	\$ 11,777,327

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, waste-water, 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 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 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 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  
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. Cash deficits consisted of payroll withholding funds which have not been reconciled as of December 31, 2013, to determine the cause of the negative fund balances.

**Note 8. Subsequent Events**

The City issued bonds dated February 12, 2015, in the amount of \$13,500,000 for the Water Pollution Control Southeast Sewer Extension for an additional forced main. The semiannual debt service requirements begin on July 1, 2015, and continue through July 1, 2033.

**Note 9. Other Postemployment Benefits**

The City provides to eligible police and fire retirees and their spouses health insurance benefits. 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.

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#### 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 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, 2013

	GENERAL FUND	MVH	LOCAL ROAD AND STREET	THOROUGHFARE	PARK & REC. ACTIVITY N.R.	ECONOMIC DEVELOPMENT	LANDFILL COST NON-REVERT.
Cash and investments - beginning	\$ 436,053	\$ 160,664	\$ 251,138	\$ 22,598	\$ 104,691	\$ 10,404	\$ 125,621
Receipts:							
Taxes	6,736,741	134,003	-	-	-	-	-
Licenses and permits	152,380	-	-	-	-	-	-
Intergovernmental	3,456,492	530,948	82,138	-	-	-	-
Charges for services	48,860	-	-	-	16,896	-	232,921
Fines and forfeits	10,668	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	6,760,942	60,197	-	-	-	-	780
Total receipts	17,166,083	725,148	82,138	-	16,896	-	233,701
Disbursements:							
Personal services	8,525,217	603,974	-	-	-	-	-
Supplies	507,169	115,947	-	-	-	-	-
Other services and charges	1,815,553	11,938	64,377	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	70,680	2,190	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	6,288,081	151,471	-	-	54,211	-	212,230
Total disbursements	17,206,700	885,520	64,377	-	54,211	-	212,230
Excess (deficiency) of receipts over disbursements	(40,617)	(160,372)	17,761	-	(37,315)	-	21,471
Cash and investments - ending	\$ 395,436	\$ 292	\$ 268,899	\$ 22,598	\$ 67,376	\$ 10,404	\$ 147,092

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

	LAW ENFORCEMENT TRAINING	PARK & RECREATION FUND	RAINY DAY FUND	FIRE DEPT-HAZARDOUS WASTE	POLICE SEIZURE FUND	LEVY EXCESS	CERTIFIED TECHNOLOGY PARK 2012
Cash and investments - beginning	\$ 10,013	\$ 151,615	\$ 46,190	\$ 18,462	\$ 51,323	\$ 92,345	\$ -
Receipts:							
Taxes	-	611,114	-	-	-	-	-
Licenses and permits	13,450	-	-	-	-	-	-
Intergovernmental	-	41,259	-	-	-	-	-
Charges for services	8,289	53,405	-	-	-	-	-
Fines and forfeits	170	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	10,273	332,741	-	-	16,824	4,000,000	686,447
Total receipts	32,182	1,038,519	-	-	16,824	4,000,000	686,447
Disbursements:							
Personal services	-	490,451	-	-	-	-	-
Supplies	-	84,599	-	4,409	-	-	-
Other services and charges	-	93,340	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	112,024
Capital outlay	-	8,155	-	-	-	-	574,423
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	33,451	425,645	40,000	-	24,678	4,092,345	-
Total disbursements	33,451	1,102,190	40,000	4,409	24,678	4,092,345	686,447
Excess (deficiency) of receipts over disbursements	(1,269)	(63,671)	(40,000)	(4,409)	(7,854)	(92,345)	-
Cash and investments - ending	\$ 8,744	\$ 87,944	\$ 6,190	\$ 14,053	\$ 43,469	\$ -	\$ -

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

	CUMULATIVE CAPITAL DEV.	RDC CAPITAL 2011	RDC BOND & INTEREST 2011	CUMULATIVE FIRE EQUIPMENT	EDIT TAX FUND	CUMULATIVE CAPITAL IMPR.	TIF BURKART DR./1-65 ALLO
Cash and investments - beginning	\$ 306,217	\$ 327,306	\$ 501	\$ 243,360	\$ 60,059	\$ 132,667	\$ 137,130
Receipts:							
Taxes	368,141	685	-	18,407	-	-	682,724
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	24,855	-	-	1,243	674,133	46,987	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	25	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	189,248	5,256	-	-	-
Total receipts	392,996	685	189,248	24,931	674,133	46,987	682,724
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	69,324	-	-	-
Other services and charges	-	-	-	-	670,000	100,000	-
Debt service - principal and interest	-	-	189,248	-	-	-	-
Capital outlay	436,934	327,991	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	53,174	-	48	-	-	-	728,123
Total disbursements	490,108	327,991	189,296	69,324	670,000	100,000	728,123
Excess (deficiency) of receipts over disbursements	(97,112)	(327,306)	(48)	(44,393)	4,133	(53,013)	(45,399)
Cash and investments - ending	\$ 209,105	\$ -	\$ 453	\$ 198,967	\$ 64,192	\$ 79,654	\$ 91,731



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

	POLICE PENSION	FIRE PENSION	ELECTRICAL LICENSING	POLICE DEPT. PETTY CASH	DEPT. OF PUBLIC WORKS PETTY CASH	RDC DEBT RESERVE 2011	INDIANA FIRE PENSION
Cash and investments - beginning	\$ 440,969	\$ 397,884	\$ 13,948	\$ 150	\$ 100	\$ 165,451	\$ (11,307)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	3,510	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	380,094	487,433	-	-	-	166	11,307
Total receipts	380,094	487,433	3,510	-	-	166	11,307
Disbursements:							
Personal services	522,671	510,450	-	-	-	-	-
Supplies	19	-	-	-	-	-	-
Other services and charges	119	100	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	6,854	11,307	3,790	-	-	-	-
Total disbursements	529,663	521,857	3,790	-	-	-	-
Excess (deficiency) of receipts over disbursements	(149,569)	(34,424)	(280)	-	-	166	11,307
Cash and investments - ending	\$ 291,400	\$ 363,460	\$ 13,668	\$ 150	\$ 100	\$ 165,617	\$ -

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

	INDIANA POLICE PENSION	BONDS & INT. 2005 & 2010	RECYCLING FUND	POLICE SOFT DRINK NON-REV	FIRE DEPT. EDUCATIONAL N.R.	2013 GO BOND PROJECT	CITY HALL CONCESSION FUND
Cash and investments - beginning	\$ (588)	\$ 225,787	\$ 14,561	\$ 216	\$ 28,287	\$ -	\$ -
Receipts:							
Taxes	-	614,115	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	38,900	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	588	240	34,917	1,703	1,418	1,995,000	1,323
Total receipts	588	653,255	34,917	1,703	1,418	1,995,000	1,323
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	24,900	-	-	-	822
Other services and charges	-	-	-	-	-	60,000	-
Debt service - principal and interest	-	636,181	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	940	-	985	1,310	-	-
Total disbursements	-	637,121	24,900	985	1,310	60,000	822
Excess (deficiency) of receipts over disbursements	588	16,134	10,017	718	108	1,935,000	501
Cash and investments - ending	\$ -	\$ 241,921	\$ 24,578	\$ 934	\$ 28,395	\$ 1,935,000	\$ 501

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

	CITY DEPT.OF PUBLIC WORKS	GRANT HOLDING FUND	REGION XI	SEYMOUR COMMUNITY CENTER	PARK & REC. LEAGUE N.R.	PARK & REC.PETTY CASH	POLICE ALCOHOL & DRUG
Cash and investments - beginning	\$ 13,361	\$ 96,831	\$ 31,466	\$ 26,092	\$ 77,902	\$ 500	\$ 3,232
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	1,252,148	-	-	-	-	-
Charges for services	-	-	-	7,430	35,882	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,227	12,258	8,522	100	-	-	-
Total receipts	4,227	1,264,406	8,522	7,530	35,882	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	1,558	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,832	510,056	3,752	4,061	29,056	-	-
Total disbursements	3,832	510,056	5,310	4,061	29,056	-	-
Excess (deficiency) of receipts over disbursements	395	754,350	3,212	3,469	6,826	-	-
Cash and investments - ending	\$ 13,756	\$ 851,181	\$ 34,678	\$ 29,561	\$ 84,728	\$ 500	\$ 3,232

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

	D.A.R.E. POLICE FUND	PAYROLL- FEDERAL W/H	PAYROLL-FICA	PAYROLL- MEDICARE	PAYROLL- STATE W/H	PAYROLL- COUNTY W/H	PAYROLL-PERF
Cash and investments - beginning	\$ 6,190	\$ (63)	\$ -	\$ -	\$ 19,452	\$ 20,394	\$ 37,186
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,315	957,929	207,352	105,852	288,803	118,280	5,826
Total receipts	4,315	957,929	207,352	105,852	288,803	118,280	5,826
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	8,659	957,929	207,352	105,852	288,810	118,618	43,012
Total disbursements	8,659	957,929	207,352	105,852	288,810	118,618	43,012
Excess (deficiency) of receipts over disbursements	(4,344)	-	-	-	(7)	(338)	(37,186)
Cash and investments - ending	\$ 1,846	\$ (63)	\$ -	\$ -	\$ 19,445	\$ 20,056	\$ -

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

	GARNISHMENT 1	VSP VISION INSURANCE	PAYROLL- INDIANA POLICE	IRWIN UNION BANK SAVINGS	PAYROLL- IND. FIRE PENSION	CHASE BANK	WOODFOREST NATIONAL BANK
Cash and investments - beginning	\$ (6,260)	\$ (6,315)	\$ 10,245	\$ -	\$ 10,507	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	6,260	23,383	125,499	1,250	128,717	37,448	24,489
Total receipts	6,260	23,383	125,499	1,250	128,717	37,448	24,489
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	24,189	135,706	1,250	139,224	37,448	24,489
Total disbursements	-	24,189	135,706	1,250	139,224	37,448	24,489
Excess (deficiency) of receipts over disbursements	6,260	(806)	(10,207)	-	(10,507)	-	-
Cash and investments - ending	\$ -	\$ (7,121)	\$ 38	\$ -	\$ -	\$ -	\$ -

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

	GARNISHMENT 2	GARNISHMENT 4	GARNISHMENT 5	GARNISHMENT 6	Business & Industrial Federal Credit Union	GARNISHMENT 7	PAYROLL- FILING FEES
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	161	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	10,223	2,860	4,992	6,933	24,928	-	710
Total receipts	10,223	2,860	4,992	6,933	24,928	-	710
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	10,223	2,860	4,992	6,933	24,928	-	710
Total disbursements	10,223	2,860	4,992	6,933	24,928	-	710
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	161	\$ -

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

	PAYROLL- UNITED FUND	PAYROLL- CHRISTMAS CLUB	SCOTT COUNTY TAX	SIHO	PAYROLL- SAVINGS PLAN	PAYROLL-POLICE DUES	PAYROLL-FIRE DUES
Cash and investments - beginning	\$ -	\$ -	\$ 298	\$ 59,965	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,237	93,653	1,180	1,553,036	131,520	6,663	9,600
Total receipts	4,237	93,653	1,180	1,553,036	131,520	6,663	9,600
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,237	93,653	1,179	1,610,373	131,520	6,663	9,600
Total disbursements	4,237	93,653	1,179	1,610,373	131,520	6,663	9,600
Excess (deficiency) of receipts over disbursements	-	-	1	(57,337)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 299	\$ 2,628	\$ -	\$ -	\$ -

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

	PAYROLL-NATIONWIDE RET SO	PAYROLL-FRANKLIN LIFE	PAYROLL-AFLAC	JENNINGS COUNTY TAX	CITY SHARE FICA	CITY SH MEDICARE	CITY SHARE PERF
Cash and investments - beginning	\$ -	\$ 70	\$ 1,399	\$ 287	\$ -	\$ -	\$ 12,514
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	45,975	2,220	5,350	3,035	252,509	57,989	1,252,583
Total receipts	45,975	2,220	5,350	3,035	252,509	57,989	1,252,583
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	45,975	2,220	6,736	3,056	252,509	57,989	1,261,288
Total disbursements	45,975	2,220	6,736	3,056	252,509	57,989	1,261,288
Excess (deficiency) of receipts over disbursements	-	-	(1,386)	(21)	-	-	(8,705)
Cash and investments - ending	\$ -	\$ 70	\$ 13	\$ 266	\$ -	\$ -	\$ 3,809



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

	CITY SHARE UNEMPLOYMENT	NET PAYROLL	WASHINGTON COUNTY TAX	GARNISHMENT 8	GARNISHMENT 9	GARNISHMENT 10	JACKSON COUNTY BANK
Cash and investments - beginning	\$ -	\$ (6,756)	\$ 118	\$ (433)	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	32,967	1,867,841	1,272	433	4,096	940	1,460,213
Total receipts	32,967	1,867,841	1,272	433	4,096	940	1,460,213
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	32,967	1,866,785	1,279	-	4,096	940	1,460,213
Total disbursements	32,967	1,866,785	1,279	-	4,096	940	1,460,213
Excess (deficiency) of receipts over disbursements	-	1,056	(7)	433	-	-	-
Cash and investments - ending	\$ -	\$ (5,700)	\$ 111	\$ -	\$ -	\$ -	\$ -

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

	NATIONAL CITY BANK	IBT/Old National Bank	CENTRA CREDIT UNION	IRWIN UNION BANK	WELLS FARGO BANK	GARNISHMENT 11	Rivervalley Financial Bank
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	448,464	524,877	712,356	247,882	8,095	2,340	84,443
Total receipts	448,464	524,877	712,356	247,882	8,095	2,340	84,443
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	448,464	524,877	712,356	247,882	8,095	2,340	84,443
Total disbursements	448,464	524,877	712,356	247,882	8,095	2,340	84,443
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	GARNISHMENT 12	OLD NATIONAL BANK	GARNISHMENT 13	GARNISHMENT 14	GARNISHMENT 15	AMSOUTH BANK OF FLORIDA D	GARNISHMENT 16
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	645	15,318	11,316	9,464	9,387	16,008	6,450
Total receipts	645	15,318	11,316	9,464	9,387	16,008	6,450
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	645	15,318	11,316	9,464	9,387	16,008	6,450
Total disbursements	645	15,318	11,316	9,464	9,387	16,008	6,450
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	GARNISHMENT 17	SAVINGS IBT/Old National Bank	PEOPLES BANK	Ameritas Life Ins Corp. (DENTAL)	DIRECT DEPOSIT-ELI LILLY	NATIONAL CITY BANK/SOUTHE	BANK OF AMERICA
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ (22,675)	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	394	25	226,095	55,344	38,344	63,538	25,240
Total receipts	394	25	226,095	55,344	38,344	63,538	25,240
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	394	25	226,095	53,386	38,344	63,538	25,240
Total disbursements	394	25	226,095	53,386	38,344	63,538	25,240
Excess (deficiency) of receipts over disbursements	-	-	-	1,958	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ (20,717)	\$ -	\$ -	\$ -

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

	DD CENTRA CREDIT SAVINGS	GARNISHMENT 19	MARION COUNTY TAX	AUL LOAN PAYBACK	GARNISHMENT 20	GARNISHMENT 21	BARTHOLOMEW COUNTY TAX
Cash and investments - beginning	\$ -	\$ -	\$ (203)	\$ -	\$ -	\$ -	\$ 305
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,445	9,724	1,253	6,286	11,211	1,595	1,351
Total receipts	4,445	9,724	1,253	6,286	11,211	1,595	1,351
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,445	9,724	824	6,286	11,211	1,595	1,346
Total disbursements	4,445	9,724	824	6,286	11,211	1,595	1,346
Excess (deficiency) of receipts over disbursements	-	-	429	-	-	-	5
Cash and investments - ending	\$ -	\$ -	\$ 226	\$ -	\$ -	\$ -	\$ 310

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

	GARNISHMENT 22	DD STATE BANK OF MEDORA	HUNTINGTON BANK	BLOOMFIELD STATE BANK	Indiana Members Credit Union	AUL DEFERRED COMP	AFLAC LIFE INSURANCE
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (94)
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,875	79,273	6,188	37,886	14,824	110,542	1,014
Total receipts	4,875	79,273	6,188	37,886	14,824	110,542	1,014
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,875	79,273	6,188	37,886	14,824	110,542	920
Total disbursements	4,875	79,273	6,188	37,886	14,824	110,542	920
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	94
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	MEMBERS CHOICE FCU	AFLAC/CAIC	Madison County Tax	Midland Mortgage	GARNISHMENT 23	Main Source Bank	Decatur County Tax
Cash and investments - beginning	\$ -	\$ (770)	\$ 90	\$ -	\$ -	\$ -	\$ 38
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	3,024	23,815	69	6,755	519	210,728	393
Total receipts	3,024	23,815	69	6,755	519	210,728	393
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,024	23,039	159	6,755	519	210,728	394
Total disbursements	3,024	23,039	159	6,755	519	210,728	394
Excess (deficiency) of receipts over disbursements	-	776	(90)	-	-	-	(1)
Cash and investments - ending	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ 37

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

	Jefferson County Tax	H&R Block Bank/Emerald Card	GARNISHMENT 24	MetLife Dental	GARNISHMENT 25	GARNISHMENT 26	SRFFWW CONSTRUCTION
Cash and investments - beginning	\$ 10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	157	8,493	1,760	49,791	1,140	2,706	46,070
Total receipts	157	8,493	1,760	49,791	1,140	2,706	46,070
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	155	8,493	1,760	59,997	1,140	2,706	46,070
Total disbursements	155	8,493	1,760	59,997	1,140	2,706	46,070
Excess (deficiency) of receipts over disbursements	2	-	-	(10,206)	-	-	-
Cash and investments - ending	\$ 12	\$ -	\$ -	\$ (10,206)	\$ -	\$ -	\$ -



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

	SMSU OPERATING	SMSU ON-LINE PAYMENTS	SMSU IMPROVEMENT	SRF BOND & INTEREST	SMSU PETTY CASH	SRF DEBT RESERVE	Totals
Cash and investments - beginning	\$ 4,117,584	\$ 22,378	\$ 70,651	\$ 1,502,444	\$ 150	\$ 1,233,656	\$ 11,295,722
Receipts:							
Taxes	-	-	-	-	-	-	9,165,930
Licenses and permits	-	-	-	-	-	-	169,340
Intergovernmental	-	-	-	-	-	-	6,149,103
Charges for services	-	-	-	-	-	-	403,683
Fines and forfeits	-	-	-	-	-	-	10,863
Utility fees	5,468,340	-	-	-	-	-	5,468,340
Other receipts	22,910,699	332,298	-	1,621,382	-	187,474	52,079,130
Total receipts	28,379,039	332,298	-	1,621,382	-	187,474	73,446,389
Disbursements:							
Personal services	708,183	-	-	-	-	-	11,360,946
Supplies	-	-	-	-	-	-	807,189
Other services and charges	411,290	-	-	-	-	-	3,226,717
Debt service - principal and interest	2,145,283	-	-	1,929,800	-	-	5,012,536
Capital outlay	103,702	-	-	-	-	-	1,525,633
Utility operating expenses	2,413,496	-	-	-	-	-	2,413,496
Other disbursements	23,191,803	316,458	-	275,199	-	-	48,618,267
Total disbursements	28,973,757	316,458	-	2,204,999	-	-	72,964,784
Excess (deficiency) of receipts over disbursements	(594,718)	15,840	-	(583,617)	-	187,474	481,605
Cash and investments - ending	\$ 3,522,866	\$ 38,218	\$ 70,651	\$ 918,827	\$ 150	\$ 1,421,130	\$ 11,777,327

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Seymour Municipal Sewage Utility	\$ 321,125	\$ 720,985
Governmental activities	<u>472,150</u>	<u>-</u>
Totals	<u>\$ 793,275</u>	<u>\$ 720,985</u>

CITY OF SEYMOUR  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Seymour Redevelopment Authority	Public Works Facility	\$ 333,000	6/14/2012	1/15/2032
Total of annual lease payments		<u>\$ 333,000</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	Seymour Facilities Building Bonds	\$ 2,780,000
General obligation bonds	General Obligation Refunding Bonds of 2010	1,500,000
General obligation bonds	General Obligation Bonds of 2013	1,995,000
Notes and loans payable	Robo trash trucks	219,630
Revenue bonds	Economic Development Bonds of 2013	3,000,000
Revenue bonds	TIF Bonds 2011	1,200,000
Revenue bonds	Tech park Revenue Bonds of 2012	2,145,000
Revenue bonds	Economic Development Bonds of 2013	2,300,000
Total governmental activities		<u>15,139,630</u>
Seymour Municipal Sewage Utility:		
Revenue bonds	SRF Loan of 2013	12,225,000
Revenue bonds	SRF Loan of 2011	8,748,626
Total Seymour Municipal Sewage Utility		<u>20,973,626</u>
Totals		<u>\$ 36,113,256</u>

CITY OF SEYMOUR  
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	\$ 632,950
Buildings	6,347,636
Improvements other than buildings	3,210,024
Machinery, equipment, and vehicles	<u>9,151,513</u>
Total governmental activities	<u>19,342,123</u>
Seymour Municipal Sewage Utility:	
Land	112,575
Buildings	28,482,695
Improvements other than buildings	5,890,382
Machinery, equipment, and vehicles	<u>2,796,781</u>
Total Seymour Municipal Sewage Utility	<u>37,282,433</u>
Total capital assets	<u><u>\$ 56,624,556</u></u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

### ***Report on Compliance for Each Major Federal Program***

We have audited the 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, 2013. 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.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance 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, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-002. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

***Report on Internal Control Over Compliance***


Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2013-002 and 2013-003 to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

April 9, 2015

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#### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Cooperative Forestry Assistance Tree Grant	Indiana Department of Natural Resources	10.664	E9-12-TIUF11	\$ 7,922
Total - Department of Agriculture				7,922
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program Vest Program	Direct grant	16.607	13065502	8,155
Total - Department of Justice				8,155
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction West 2nd Street Project	Indiana Department of Transportation	20.205	DES#1005165	134,643
Gateway Project		20.205	DES#1173309	88,200
Total - Highway Planning and Construction Cluster				222,843
Highway Safety Cluster				
State and Community Highway Safety Operation Pullover	Indiana Criminal Justice Institute	20.600	OP18x9204020	5,937
Total - Highway Safety Cluster				5,937
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509		
Transit Grant Operating 2012			180029	25,931
Transit Grant Operating 2013			180030	89,443
Total - Formula Grants for Rural Areas				115,374
Total - Department of Transportation				344,154
<u>Environmental Protection Agency</u>				
Capitalization Grants for Clean Water State Revolving Funds State Revolving Funds 2011	Indiana Finance Authority	66.458	WW1003602	23,035
Total - Environmental Protection Agency				23,035
<u>Department of Homeland Security</u>				
Assistance to Firefighters Grant	Direct Grant	97.044	EMW-2012 FO-02762	143,240
Total - Department of Homeland Security				143,240
Total federal awards expended				\$ 526,506

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 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:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	yes
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Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
97.044	Highway Planning and Construction Cluster Assistance to Firefighters Grant

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

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2013-001 - INTERNAL CONTROL OVER THE PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

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

During the audit of the SEFA, we noted the following errors: State and Community Highway Safety program was understated \$594 and nonfederal funds in the amount of \$103,004 were included in the SEFA. These errors resulted in the SEFA being overstated \$102,410. Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report.

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.

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 Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

***Section III - Federal Award Findings and Questioned Costs***

***FINDING 2013-002 - SUSPENSION AND DEBARMENT***

Federal Agency: Department of Homeland Security

Federal Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Award Number and Year (or Other Identifying Number): EMW-2012 FO-02762

The City failed to determine whether vendors they have entered into covered transactions with were suspended or debarred either by checking the Excluded Parties List System (EPLS), collecting a certification from the entity, or adding a clause or condition to the covered transaction with the entity. The City's internal control system did not detect the noncompliance.

The failure to establish an effective internal control system places the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

44 CFR 13.35 states:

"Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, 'Debarment and Suspension.'"

2 CFR, Subpart C, 180.300 states as follows:

"What must I do before I enter into a covered transaction with another person at the next lower tier?

When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

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

- (a) Checking the EPLS; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

OMB Circular A-133, Subpart C, section .300 states in part:

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

The failure to check federal procurement transactions could cause federal programs to be used for vendors that are suspended or debarred.

We recommended that the City establish controls, including segregation of duties, related to the grant agreement and compliance requirements for Suspension and Debarment. We further recommended that the City comply with the Suspension and Debarment compliance requirements.

***FINDING 2013-003 - INTERNAL CONTROL OVER PERIOD OF AVAILABILITY AND REPORTING***

Federal Agency: Department of Homeland Security

Federal Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Award Number and Year (or Other Identifying Number): EMW-2012 FO-02762

The City has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and the following compliance requirements: Period of Availability and Reporting that have a direct and material effect on the program. The failure to establish an effective internal control system places the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

The City has not designed and implemented adequate policies or procedures to ensure that the Period of Availability or Reporting requirements were being followed. The Fire Chief prepared all required reports; however, there were no controls to ensure that the reports were complete and accurate. In addition, the Fire Chief was the only individual aware of the Period of Availability requirements for the grant and no controls were in place to ensure that grant expenditures were within the period of availability as stated within the grant agreement.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

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

OMB Circular A-133, Subpart C, section .300 states in part:

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

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could result in the loss of federal funds to the City.

We recommended that the City establish controls, including segregation of duties, related to the grant agreement and compliance requirements noted above.



#### AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.



# City of Seymour

City Hall 301-309 N. Chestnut Street • Seymour, Indiana 47274  
Phone (812) 522-4020 • Fax: (812) 523-6687

Mayor  
CRAIG LUEDEMAN

Clerk-Treasurer  
FRED D LEWIS

City Council Members  
JOHN J. REINHART

BRIAN D'ARCO

DANNY SLOAN

JAMES W. REBBER

DAVE EARLEY

LLOYD G. HUDSON

DARRIN BOAS

April 9, 2015

Indiana State Board of Accounts  
302 W Washington St. Rm E-418  
Indianapolis, In 46204

RE: Corrective action plan for findings: 2013-001  
2013-002  
2013-003

Dear Sirs,

I have been delivered a copy of the findings 2013-001; 2013-002; 2013-003 over the handling by the City of Seymour for monies received and paperwork kept and filed for a federal grant received by the Seymour Fire Department.

## Finding 2013-001

When receiving such future grants we will work with the department receiving a grant to put better internal controls in place, between said department and our office, to properly record the receipt and disbursement of said funds with awareness to both offices.

## Finding 2013-002

We will in the future, from any vendors awarded grant monies, make sure we verify they are not suspended or debarred from participating in grant funded programs by the federal government.

## Finding 2013-003

Our office will in the future cooperatively work with any department receiving a federal grant to see that controls are in place, together, to see that proper compliance matters are handled together between the department and the administrative office holders.



# City of Seymour

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We will work more closely with any departments receiving federal grants to see that all such matters are corrected with any future federal grants awarded the city.

Sincerely,

A handwritten signature in cursive script, appearing to read "Fred D Lewis".

Fred D Lewis  
Clerk-Treasurer  
(812) 523-5881

#### OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the City. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.