

B37761

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

AUDIT REPORT

OF

TOWN OF CORYDON

HARRISON COUNTY, INDIANA

January 1, 2007 to December 31, 2008



FILED
11/10/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Janet L. Frederick Tregala M. King	01-01-04 to 04-30-08 05-01-08 to 12-31-11
President of the Town Council	Fred K. Cammack	01-01-07 to 12-31-10
Superintendent of Water Utility	Walter D. Smith Stacey Sailor	01-01-07 to 01-30-08 01-31-08 to 12-31-10
Superintendent of Wastewater Utility	L. Keith Smith Larry J. Fessel	01-01-07 to 01-30-07 01-31-07 to 12-31-10



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF CORYDON, HARRISON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Corydon (Town), as of and for the years ended December 31, 2007 and 2008, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated November 3, 2010, on our consideration of the Town'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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

November 3, 2010



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

TO: THE OFFICIALS OF THE TOWN OF CORYDON, HARRISON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Corydon (Town), as of and for the years ended December 31, 2007 and 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated November 3, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

STATE BOARD OF ACCOUNTS

November 3, 2010

TOWN OF CORYDON
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 288,567	\$ 84,952	\$ 30,531	\$ 112,843	\$ (60,241)	\$ -	\$ (60,241)
Public safety	303,272	1,488	-	-	(301,784)	-	(301,784)
Highways and streets	331,805	-	174,340	-	(157,465)	-	(157,465)
Sanitation	127,202	23,845	-	-	(103,357)	-	(103,357)
Urban redevelopment and housing	1,025,645	-	-	746,321	(279,324)	-	(279,324)
Total governmental activities	<u>2,076,491</u>	<u>110,285</u>	<u>204,871</u>	<u>859,164</u>	<u>(902,171)</u>	<u>-</u>	<u>(902,171)</u>
Business-type activities:							
Water	1,138,098	1,207,648	-	-	-	69,550	69,550
Wastewater	2,503,670	1,375,055	-	500,000	-	(628,615)	(628,615)
Total business-type activities	<u>3,641,768</u>	<u>2,582,703</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>(559,065)</u>	<u>(559,065)</u>
Total primary government	<u>\$ 5,718,259</u>	<u>\$ 2,692,988</u>	<u>\$ 204,871</u>	<u>\$ 1,359,164</u>	<u>(902,171)</u>	<u>(559,065)</u>	<u>(1,461,236)</u>
General receipts:							
Property taxes					521,589	-	521,589
Other local sources					213,599	27,420	241,019
Gaming revenues					347,848	-	347,848
Unrestricted investment earnings					83,463	281,965	365,428
Total general receipts					<u>1,166,499</u>	<u>309,385</u>	<u>1,475,884</u>
Change in net assets					264,328	(249,680)	14,648
Net assets - beginning					<u>2,307,614</u>	<u>7,081,304</u>	<u>9,388,918</u>
Net assets - ending					<u>\$ 2,571,942</u>	<u>\$ 6,831,624</u>	<u>\$ 9,403,566</u>
<u>Assets</u>							
Cash and investments					\$ 2,325,001	\$ 215,350	\$ 2,540,351
Restricted assets:							
Cash and investments					<u>246,941</u>	<u>6,616,274</u>	<u>6,863,215</u>
Total assets					<u>\$ 2,571,942</u>	<u>\$ 6,831,624</u>	<u>\$ 9,403,566</u>
<u>Net Assets</u>							
Restricted for:							
Public safety					\$ 5,059	\$ -	\$ 5,059
Highways and streets					227,251	-	227,251
Urban redevelopment and housing					14,631	-	14,631
Debt service					-	642,355	642,355
Other purposes					-	5,973,919	5,973,919
Unrestricted					<u>2,325,001</u>	<u>215,350</u>	<u>2,540,351</u>
Total net assets					<u>\$ 2,571,942</u>	<u>\$ 6,831,624</u>	<u>\$ 9,403,566</u>

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

TOWN OF CORYDON
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Riverboat	CDBG - Keller Project	CDBG - Chestnut Street Project	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 521,589	\$ -	\$ -	\$ -	\$ -	\$ 521,589
Licenses and permits	1,921	-	-	-	2,675	4,596
Intergovernmental	196,180	347,848	328,401	417,920	317,714	1,608,063
Charges for services	51,071	-	-	-	55,858	106,929
Fines and forfeits	1,355	-	-	-	-	1,355
Other	91,574	-	-	-	6,713	98,287
Total receipts	863,690	347,848	328,401	417,920	382,960	2,340,819
Disbursements:						
General government	202,237	-	-	-	86,330	288,567
Public safety	279,590	-	-	-	881	280,471
Highways and streets	166,435	38,262	-	-	127,108	331,805
Sanitation	127,202	-	-	-	-	127,202
Urban redevelopment and housing	-	-	392,967	500,446	132,232	1,025,645
Capital outlay:						
Public safety	22,801	-	-	-	-	22,801
Total disbursements	798,265	38,262	392,967	500,446	346,551	2,076,491
Excess (deficiency) of revenue over disbursements	65,425	309,586	(64,566)	(82,526)	36,409	264,328
Other financing sources (uses)						
Interfund loans received	300,000	(300,000)	-	-	-	-
Interfund loans repaid	(300,000)	300,000	-	-	-	-
Transfers in	-	-	-	82,526	-	82,526
Transfers out	-	-	-	-	(82,526)	(82,526)
Total other financing sources (uses)	-	-	-	82,526	(82,526)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	65,425	309,586	(64,566)	-	(46,117)	264,328
Cash and investment fund balance - beginning	481,452	959,241	79,197	-	787,724	2,307,614
Cash and investment fund balance - ending	\$ 546,877	\$ 1,268,827	\$ 14,631	\$ -	\$ 741,607	\$ 2,571,942
Cash and Investment Assets - December 31						
Cash and investments	\$ 546,877	\$ 1,268,827	\$ -	\$ -	\$ 509,297	\$ 2,325,001
Restricted assets:						
Cash and investments	-	-	14,631	-	232,310	246,941
Total cash and investment assets - December 31	\$ 546,877	\$ 1,268,827	\$ 14,631	\$ -	\$ 741,607	\$ 2,571,942
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 5,059	\$ 5,059
Highways and streets	-	-	-	-	227,251	227,251
Urban redevelopment and housing	-	-	14,631	-	-	14,631
Unrestricted	546,877	1,268,827	-	-	509,297	2,325,001
Total cash and investment fund balance - December 31	\$ 546,877	\$ 1,268,827	\$ 14,631	\$ -	\$ 741,607	\$ 2,571,942

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

TOWN OF CORYDON
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2007

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Unmetered water receipts	\$ 72	\$ -	\$ 72
Metered water receipts	1,089,623	-	1,089,623
Fire protection receipts	56,520	-	56,520
Penalties	3,925	12,296	16,221
Other water receipts	73,299	-	73,299
Measured revenue	-	1,362,760	1,362,760
Other	-	11,628	11,628
	<u>1,223,439</u>	<u>1,386,684</u>	<u>2,610,123</u>
 Total operating receipts			
Operating disbursements:			
Equipment and capital improvements	71,209	1,406,379	1,477,588
Salaries and wages	287,089	311,633	598,722
Employee pensions and benefits	92,760	84,793	177,553
Sludge removal	-	108,263	108,263
Material and supplies	77,039	61,567	138,606
Contractual services	35,158	105,615	140,773
Transportation disbursements	13,187	8,390	21,577
Insurance disbursements	16,696	18,317	35,013
Miscellaneous disbursements	259,908	92,394	352,302
	<u>853,046</u>	<u>2,197,351</u>	<u>3,050,397</u>
 Total operating disbursements			
Excess (deficiency) of operating receipts over operating disbursements	<u>370,393</u>	<u>(810,667)</u>	<u>(440,274)</u>
 Nonoperating receipts (disbursements):			
Interest and investment receipts	152,954	129,011	281,965
Debt service of principal	(215,000)	(270,000)	(485,000)
Interest and investment disbursement	(70,052)	(36,319)	(106,371)
	<u>(132,098)</u>	<u>(177,308)</u>	<u>(309,406)</u>
 Total nonoperating receipts (disbursements)			
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	238,295	(987,975)	(749,680)
 Capital contributions	<u>-</u>	<u>500,000</u>	<u>500,000</u>
 Excess (deficiency) of receipts and contributions over disbursements	238,295	(487,975)	(249,680)
 Cash and investment fund balance - beginning	<u>3,867,331</u>	<u>3,213,973</u>	<u>7,081,304</u>
 Cash and investment fund balance - ending	<u>\$ 4,105,626</u>	<u>\$ 2,725,998</u>	<u>\$ 6,831,624</u>
 <u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 110,050	\$ 105,300	\$ 215,350
Restricted assets:			
Cash and investments	<u>3,995,576</u>	<u>2,620,698</u>	<u>6,616,274</u>
 Total cash and investment assets - December 31	<u>\$ 4,105,626</u>	<u>\$ 2,725,998</u>	<u>\$ 6,831,624</u>
 <u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 397,199	\$ 245,156	\$ 642,355
Other purposes	3,598,377	2,375,542	5,973,919
Unrestricted	<u>110,050</u>	<u>105,300</u>	<u>215,350</u>
 Total cash and investment fund balance - December 31	<u>\$ 4,105,626</u>	<u>\$ 2,725,998</u>	<u>\$ 6,831,624</u>

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

TOWN OF CORYDON
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2007

	<u>Agency Funds</u>
Cash and investment fund balance - ending	<u>\$ 61,173</u>

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

TOWN OF CORYDON
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 965,659	\$ 86,882	\$ 45,332	\$ 123,951	\$ (709,494)	\$ -	\$ (709,494)
Public safety	304,807	1,525	-	-	(303,282)	-	(303,282)
Highways and streets	310,432	-	148,870	-	(161,562)	-	(161,562)
Sanitation	118,510	24,143	-	-	(94,367)	-	(94,367)
Urban redevelopment and housing	173,668	-	-	157,464	(16,204)	-	(16,204)
Total governmental activities	<u>1,873,076</u>	<u>112,550</u>	<u>194,202</u>	<u>281,415</u>	<u>(1,284,909)</u>	<u>-</u>	<u>(1,284,909)</u>
Business-type activities:							
Water	1,002,993	1,145,539	-	-	-	142,546	142,546
Wastewater	3,873,053	1,416,446	-	1,500,000	-	(956,607)	(956,607)
Total business-type activities	<u>4,876,046</u>	<u>2,561,985</u>	<u>-</u>	<u>1,500,000</u>	<u>-</u>	<u>(814,061)</u>	<u>(814,061)</u>
Total primary government	<u>\$ 6,749,122</u>	<u>\$ 2,674,535</u>	<u>\$ 194,202</u>	<u>\$ 1,781,415</u>	<u>(1,284,909)</u>	<u>(814,061)</u>	<u>(2,098,970)</u>
General receipts:							
Property taxes					363,170	-	363,170
Other local sources					233,827	37,925	271,752
Gaming revenues					264,908	-	264,908
Unrestricted investment earnings					36,686	90,429	127,115
Total general receipts					<u>898,591</u>	<u>128,354</u>	<u>1,026,945</u>
Change in net assets					(386,318)	(685,707)	(1,072,025)
Net assets - beginning					<u>2,571,942</u>	<u>6,831,624</u>	<u>9,403,566</u>
Net assets - ending					<u>\$ 2,185,624</u>	<u>\$ 6,145,917</u>	<u>\$ 8,331,541</u>
<u>Assets</u>							
Cash and investments					\$ 1,913,753	\$ 215,350	\$ 2,129,103
Restricted assets:							
Cash and investments					<u>271,871</u>	<u>5,930,567</u>	<u>6,202,438</u>
Total assets					<u>\$ 2,185,624</u>	<u>\$ 6,145,917</u>	<u>\$ 8,331,541</u>
<u>Net Assets</u>							
Restricted for:							
Public safety					\$ 3,785	\$ -	\$ 3,785
Highways and streets					267,940	-	267,940
Urban redevelopment and housing					146	-	146
Debt service					-	647,701	647,701
Other purposes					-	5,282,866	5,282,866
Unrestricted					<u>1,913,753</u>	<u>215,350</u>	<u>2,129,103</u>
Total net assets					<u>\$ 2,185,624</u>	<u>\$ 6,145,917</u>	<u>\$ 8,331,541</u>

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

TOWN OF CORYDON
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Riverboat	CDBG - Keller Project	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 363,170	\$ -	\$ -	\$ -	\$ 363,170
Licenses and permits	1,432	-	-	2,824	4,256
Intergovernmental	203,090	264,908	157,198	318,153	943,349
Charges for services	54,197	-	-	55,997	110,194
Fines and forfeits	300	-	-	-	300
Other	53,894	-	266	11,329	65,489
Total receipts	676,083	264,908	157,464	388,303	1,486,758
Disbursements:					
General government	265,746	-	-	99,913	365,659
Public safety	294,281	-	-	7,838	302,119
Highways and streets	178,554	23,674	-	108,204	310,432
Sanitation	118,510	-	-	-	118,510
Urban redevelopment and housing	-	1,719	171,949	-	173,668
Capital outlay:					
General government	-	600,000	-	-	600,000
Public safety	2,688	-	-	-	2,688
Total disbursements	859,779	625,393	171,949	215,955	1,873,076
Excess (deficiency) of revenue over disbursements	(183,696)	(360,485)	(14,485)	172,348	(386,318)
Other financing sources (uses):					
Interfund loans received	300,000	(300,000)	-	-	-
Interfund loans repaid	(300,000)	300,000	-	-	-
Transfers in	506	-	-	-	506
Transfers out	-	-	-	(506)	(506)
Total other financing sources (uses)	506	-	-	(506)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(183,190)	(360,485)	(14,485)	171,842	(386,318)
Cash and investment fund balance - beginning	546,877	1,268,827	14,631	741,607	2,571,942
Cash and investment fund balance - ending	<u>\$ 363,687</u>	<u>\$ 908,342</u>	<u>\$ 146</u>	<u>\$ 913,449</u>	<u>\$ 2,185,624</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 363,687	\$ 908,342	\$ -	\$ 641,724	\$ 1,913,753
Restricted assets:					
Cash and investments	-	-	146	271,725	271,871
Total cash and investment assets - December 31	<u>\$ 363,687</u>	<u>\$ 908,342</u>	<u>\$ 146</u>	<u>\$ 913,449</u>	<u>\$ 2,185,624</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ 3,785	\$ 3,785
Highways and streets	-	-	-	267,940	267,940
Urban redevelopment and housing	-	-	146	-	146
Unrestricted	363,687	908,342	-	641,724	1,913,753
Total cash and investment fund balance - December 31	<u>\$ 363,687</u>	<u>\$ 908,342</u>	<u>\$ 146</u>	<u>\$ 913,449</u>	<u>\$ 2,185,624</u>

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

TOWN OF CORYDON
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2008

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Unmetered water receipts	\$ 218	\$ -	\$ 218
Metered water receipts	1,026,556	-	1,026,556
Fire protection receipts	57,682	-	57,682
Penalties	4,440	14,161	18,601
Other water revenue	80,188	-	80,188
Measured revenue	-	1,402,285	1,402,285
Other	-	14,380	14,380
	<u>1,169,084</u>	<u>1,430,826</u>	<u>2,599,910</u>
Total operating receipts			
Operating disbursements:			
Equipment and capital improvements	40,936	2,744,650	2,785,586
Salaries and wages	279,265	323,973	603,238
Employee pensions and benefits	91,520	95,002	186,522
Sludge removal	-	106,511	106,511
Material and supplies	67,975	25,734	93,709
Contractual services	42,020	95,511	137,531
Transportation disbursements	11,057	30,356	41,413
Insurance disbursements	16,930	20,316	37,246
Miscellaneous disbursements	168,030	126,229	294,259
	<u>717,733</u>	<u>3,568,282</u>	<u>4,286,015</u>
Total operating disbursements			
Excess (deficiency) of operating receipts over operating disbursements	<u>451,351</u>	<u>(2,137,456)</u>	<u>(1,686,105)</u>
Nonoperating receipts (disbursements):			
Interest and investment receipts	53,148	37,281	90,429
Debt service of principal	(225,000)	(275,000)	(500,000)
Interest and investment disbursement	(60,260)	(29,771)	(90,031)
	<u>(232,112)</u>	<u>(267,490)</u>	<u>(499,602)</u>
Total nonoperating receipts (disbursements)			
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	219,239	(2,404,946)	(2,185,707)
Capital contributions	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>
Excess (deficiency) of receipts and contributions over disbursements	219,239	(904,946)	(685,707)
Cash and investment fund balance - beginning	<u>4,105,626</u>	<u>2,725,998</u>	<u>6,831,624</u>
Cash and investment fund balance - ending	<u>\$ 4,324,865</u>	<u>\$ 1,821,052</u>	<u>\$ 6,145,917</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 110,050	\$ 105,300	\$ 215,350
Restricted assets:			
Cash and investments	<u>4,214,815</u>	<u>1,715,752</u>	<u>5,930,567</u>
Total cash and investment assets - December 31	<u>\$ 4,324,865</u>	<u>\$ 1,821,052</u>	<u>\$ 6,145,917</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 402,101	\$ 245,600	\$ 647,701
Other purposes	3,812,714	1,470,152	5,282,866
Unrestricted	<u>110,050</u>	<u>105,300</u>	<u>215,350</u>
Total cash and investment fund balance - December 31	<u>\$ 4,324,865</u>	<u>\$ 1,821,052</u>	<u>\$ 6,145,917</u>

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

TOWN OF CORYDON
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2008

	<u>Agency Funds</u>
Cash and investment fund balance - ending	<u>\$ 54,781</u>

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

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides the following services: public safety (police), highways and streets, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment.

The Town's financial reporting entity is composed of the following:

Primary Government: Town of Corydon

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The riverboat fund is used to account for the receipt of admissions, gambling taxes and revenue sharing receipts from riverboat gambling and the disbursement of these funds.

The CDBG – Keller project fund is used to account for the receipts and disbursements of federal grant proceeds and locally required matching funds.

The CDBG – Chestnut Street project fund is used to account for the receipts and disbursements of federal grant proceeds and locally required matching funds.

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Town reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

Additionally, the Town reports the following fund type:

Agency funds account for assets held by the Town as an agent for the Town for its employees and for individual contractors associated with the CDBG funds and serves as a control of accounts for certain cash transactions during the time they are a liability to the Town.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town and the Town Utilities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds).

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services.

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The Town does not have any internal service funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS
(Continued)

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2008, the Town had deposit balances in the amount of \$8,604,100. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2007 and 2008, were as follows:

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
Other Governmental Funds	General Fund CDBG - Chestnut Street Project Fund	\$ -	\$ 506
		<u>82,526</u>	<u>-</u>
Totals		<u>\$ 82,526</u>	<u>\$ 506</u>

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The Town is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Illness or Injuries to Employees

During 1990, the Town joined a public entity risk pool, the Indiana Public Employer's Plan, Inc., currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989 for the purpose of providing a medium for the funding and administration of workers compensation claims. The Town pays an annual premium to the risk pool for its job related illness or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Significant Customer

During the period for which financial statements are presented, the Water Utility had material transactions with Tyson Foods, Inc., in relation to water services provided in the amount of \$690,893, which represents approximately 25% of the Water Utility's operating revenue.

During the period for which financial statements are presented, the Wastewater Utility had material transactions with Tyson Foods, Inc., in relation to wastewater (sewage) services provided in the amount of \$598,341, which represents approximately 25% of the Wastewater Utility's measured revenue. In addition, Tyson Foods, Inc., entered into an agreement on January 3, 1992, in which they agreed to pay the Wastewater Utility \$7,705 per month until December 2012 for their allocated portion of wastewater expansion costs directly related to expansion of their facilities.

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Rate Structure – Enterprise Funds

Water Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on April 30, 1997.

Wastewater Utility

The current rate structure was approved by the Town Council on July 12, 2010.

D. Pension Plan

Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Town 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The Town's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the Town and the Utilities is not available.

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 64,655
Interest on net pension obligation	(1,425)
Adjustment to annual required contribution	1,624
Annual pension cost	64,854
Contributions made	68,546
Decrease in net pension obligation	(3,692)
Net pension obligation, beginning of year	(19,660)
Net pension obligation, end of year	\$ (23,352)

	PERF
Contribution rates:	
Town	7%
Plan members	3%
Actuarial valuation date	07-01-08
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

<u>Actuarial Assumptions</u>	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

TOWN OF CORYDON
NOTES TO FINANCIAL STATEMENTS
(Continued)

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 63,862	79%	\$ (29,182)
	06-30-07	66,062	86%	(19,660)
	06-30-08	64,854	106%	(23,352)

TOWN OF CORYDON
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 986,874	\$ 1,139,413	\$ (152,539)	87%	\$ 964,440	(16%)
07-01-07	986,349	1,085,838	(99,489)	91%	961,551	(10%)
07-01-08	1,005,609	1,144,712	(139,103)	88%	959,949	(14%)

TOWN OF CORYDON
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

	Motor Vehicle Highway	Local Road and Street	Cemetery	Parking Meter	Donations
Receipts:					
Licenses and permits	\$ -	\$ -	\$ -	\$ 1,875	\$ -
Intergovernmental	127,808	46,532	30,000	-	-
Charges for services	-	-	54,808	-	-
Other	-	10	470	-	1,800
Total receipts	<u>127,808</u>	<u>46,542</u>	<u>85,278</u>	<u>1,875</u>	<u>1,800</u>
Disbursements:					
General government	-	-	83,181	-	-
Public safety	-	-	-	-	659
Highways and streets	101,574	25,534	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Total disbursements	<u>101,574</u>	<u>25,534</u>	<u>83,181</u>	<u>-</u>	<u>659</u>
Excess (deficiency) of revenue over disbursements	<u>26,234</u>	<u>21,008</u>	<u>2,097</u>	<u>1,875</u>	<u>1,141</u>
Other financing sources (uses):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	26,234	21,008	2,097	1,875	1,141
Cash and investment fund balance - beginning	<u>90,793</u>	<u>89,216</u>	<u>27,667</u>	<u>39,565</u>	<u>7,342</u>
Cash and investment fund balance - ending	<u>\$ 117,027</u>	<u>\$ 110,224</u>	<u>\$ 29,764</u>	<u>\$ 41,440</u>	<u>\$ 8,483</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ -	\$ 29,764	\$ 41,440	\$ 8,483
Restricted assets:					
Cash and investments	<u>117,027</u>	<u>110,224</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - December 31	<u>\$ 117,027</u>	<u>\$ 110,224</u>	<u>\$ 29,764</u>	<u>\$ 41,440</u>	<u>\$ 8,483</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	117,027	110,224	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>29,764</u>	<u>41,440</u>	<u>8,483</u>
Total cash and investment fund balance - December 31	<u>\$ 117,027</u>	<u>\$ 110,224</u>	<u>\$ 29,764</u>	<u>\$ 41,440</u>	<u>\$ 8,483</u>

TOWN OF CORYDON
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Criminal Justice Grant	Main Street Grant	Law Enforcement Continuing Education	Rainy Day	Flags
Receipts:					
Licenses and permits	\$ -	\$ -	\$ 800	\$ -	\$ -
Intergovernmental	-	-	-	531	-
Charges for services	-	-	688	-	362
Other	2	-	-	-	-
Total receipts	2	-	1,488	531	362
Disbursements:					
General government	-	-	-	-	673
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Total disbursements	-	-	-	-	673
Excess (deficiency) of revenue over disbursements	2	-	1,488	531	(311)
Other financing sources (uses):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2	-	1,488	531	(311)
Cash and investment fund balance - beginning	484	19	3,571	71,294	9,549
Cash and investment fund balance - ending	<u>\$ 486</u>	<u>\$ 19</u>	<u>\$ 5,059</u>	<u>\$ 71,825</u>	<u>\$ 9,238</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 486	\$ 19	\$ -	\$ 71,825	\$ 9,238
Restricted assets:					
Cash and investments	-	-	5,059	-	-
Total cash and investment assets - December 31	<u>\$ 486</u>	<u>\$ 19</u>	<u>\$ 5,059</u>	<u>\$ 71,825</u>	<u>\$ 9,238</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ 5,059	\$ -	\$ -
Highways and streets	-	-	-	-	-
Unrestricted	486	19	-	71,825	9,238
Total cash and investment fund balance - December 31	<u>\$ 486</u>	<u>\$ 19</u>	<u>\$ 5,059</u>	<u>\$ 71,825</u>	<u>\$ 9,238</u>

TOWN OF CORYDON
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007
 (Continued)

	Tree	DARE	Economic Development Income Tax	Cumulative Capital Improvement	Totals
Receipts:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 2,675
Intergovernmental	-	-	103,307	9,536	317,714
Charges for services	-	-	-	-	55,858
Other	-	-	4,431	-	6,713
Total receipts	-	-	107,738	9,536	382,960
Disbursements:					
General government	2,476	-	-	-	86,330
Public safety	-	222	-	-	881
Highways and streets	-	-	-	-	127,108
Urban redevelopment and housing	-	-	132,232	-	132,232
Total disbursements	2,476	222	132,232	-	346,551
Excess (deficiency) of revenue over disbursements	(2,476)	(222)	(24,494)	9,536	36,409
Other financing sources (uses):					
Transfers out	-	-	(82,526)	-	(82,526)
Total other financing sources (uses)	-	-	(82,526)	-	(82,526)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,476)	(222)	(107,020)	9,536	(46,117)
Cash and investment fund balance - beginning	11,479	385	286,542	149,818	787,724
Cash and investment fund balance - ending	<u>9,003</u>	<u>163</u>	<u>179,522</u>	<u>159,354</u>	<u>741,607</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 9,003	\$ 163	\$ 179,522	\$ 159,354	\$ 509,297
Restricted assets:					
Cash and investments	-	-	-	-	232,310
Total cash and investment assets - December 31	<u>9,003</u>	<u>163</u>	<u>179,522</u>	<u>159,354</u>	<u>741,607</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 5,059
Highways and streets	-	-	-	-	227,251
Unrestricted	9,003	163	179,522	159,354	509,297
Total cash and investment fund balance - December 31	<u>9,003</u>	<u>163</u>	<u>179,522</u>	<u>159,354</u>	<u>741,607</u>

TOWN OF CORYDON
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2007

	Payroll	Keller Project Demolition Retainage	Keller Project Asbestos Removal Retainage	Chestnut Street Project Retainage	Totals
Additions:					
Agency fund additions	\$ 1,421,397	\$ 11,920	\$ 4,552	\$ 33,257	\$ 1,471,126
Deductions:					
Agency fund deductions	1,417,315	-	4,551	33,257	1,455,123
Excess of total additions over total deductions	4,082	11,920	1	-	16,003
Cash and investment fund balance - beginning	45,170	-	-	-	45,170
Cash and investment fund balance - ending	<u>\$ 49,252</u>	<u>\$ 11,920</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 61,173</u>

TOWN OF CORYDON
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Motor Vehicle Highway	Local Road and Street	Cemetery	Parking Meter	Donations
Receipts:					
Licenses and permits	\$ -	\$ -	\$ -	\$ 1,804	\$ -
Intergovernmental	103,463	45,406	30,000	-	-
Charges for services	-	-	52,976	-	-
Other	-	24	9,804	-	1,500
Total receipts	103,463	45,430	92,780	1,804	1,500
Disbursements:					
General government	-	-	92,352	-	-
Public safety	-	-	-	-	4,932
Highways and streets	106,536	1,668	-	-	-
Total disbursements	106,536	1,668	92,352	-	4,932
Excess (deficiency) of revenue over disbursements	(3,073)	43,762	428	1,804	(3,432)
Other financing sources (uses):					
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,073)	43,762	428	1,804	(3,432)
Cash and investment fund balance - beginning	117,027	110,224	29,764	41,440	8,483
Cash and investment fund balance - ending	<u>\$ 113,954</u>	<u>\$ 153,986</u>	<u>\$ 30,192</u>	<u>\$ 43,244</u>	<u>\$ 5,051</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ -	\$ 30,192	\$ 43,244	\$ 5,051
Restricted assets:					
Cash and investments	113,954	153,986	-	-	-
Total cash and investment assets - December 31	<u>\$ 113,954</u>	<u>\$ 153,986</u>	<u>\$ 30,192</u>	<u>\$ 43,244</u>	<u>\$ 5,051</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	113,954	153,986	-	-	-
Unrestricted	-	-	30,192	43,244	5,051
Total cash and investment fund balance - December 31	<u>\$ 113,954</u>	<u>\$ 153,986</u>	<u>\$ 30,192</u>	<u>\$ 43,244</u>	<u>\$ 5,051</u>

TOWN OF CORYDON
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Criminal Justice Grant	Main Street Grant	Law Enforcement Continuing Education	Rainy Day	Flags
Receipts:					
Licenses and permits	\$ -	\$ -	\$ 1,020	\$ -	\$ -
Intergovernmental	-	-	-	15,332	-
Charges for services	-	-	505	-	2,516
Other	1	-	-	-	-
Total receipts	1	-	1,525	15,332	2,516
Disbursements:					
General government	-	-	-	-	6,171
Public safety	-	-	2,799	-	-
Highways and streets	-	-	-	-	-
Total disbursements	-	-	2,799	-	6,171
Excess (deficiency) of revenue over disbursements	1	-	(1,274)	15,332	(3,655)
Other financing sources (uses):					
Transfers out	(487)	(19)	-	-	-
Total other financing sources (uses)	(487)	(19)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(486)	(19)	(1,274)	15,332	(3,655)
Cash and investment fund balance - beginning	486	19	5,059	71,825	9,238
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,785</u>	<u>\$ 87,157</u>	<u>\$ 5,583</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ 87,157	\$ 5,583
Restricted assets:					
Cash and investments	-	-	3,785	-	-
Total cash and investment assets - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,785</u>	<u>\$ 87,157</u>	<u>\$ 5,583</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ 3,785	\$ -	\$ -
Highways and streets	-	-	-	-	-
Unrestricted	-	-	-	87,157	5,583
Total cash and investment fund balance - December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,785</u>	<u>\$ 87,157</u>	<u>\$ 5,583</u>

TOWN OF CORYDON
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Tree	DARE	Economic Development Income Tax	Cumulative Capital Improvement	Totals
Receipts:					
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 2,824
Intergovernmental	-	-	115,122	8,830	318,153
Charges for services	-	-	-	-	55,997
Other	-	-	-	-	11,329
Total receipts	-	-	115,122	8,830	388,303
Disbursements:					
General government	1,390	-	-	-	99,913
Public safety	-	107	-	-	7,838
Highways and streets	-	-	-	-	108,204
Total disbursements	1,390	107	-	-	215,955
Excess (deficiency) of revenue over disbursements	(1,390)	(107)	115,122	8,830	172,348
Other financing sources (uses):					
Transfers out	-	-	-	-	(506)
Total other financing sources (uses)	-	-	-	-	(506)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,390)	(107)	115,122	8,830	171,842
Cash and investment fund balance - beginning	9,003	163	179,522	159,354	741,607
Cash and investment fund balance - ending	<u>\$ 7,613</u>	<u>\$ 56</u>	<u>\$ 294,644</u>	<u>\$ 168,184</u>	<u>\$ 913,449</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 7,613	\$ 56	\$ 294,644	\$ 168,184	\$ 641,724
Restricted assets:					
Cash and investments	-	-	-	-	271,725
Total cash and investment assets - December 31	<u>\$ 7,613</u>	<u>\$ 56</u>	<u>\$ 294,644</u>	<u>\$ 168,184</u>	<u>\$ 913,449</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 3,785
Highways and streets	-	-	-	-	267,940
Unrestricted	7,613	56	294,644	168,184	641,724
Total cash and investment fund balance - December 31	<u>\$ 7,613</u>	<u>\$ 56</u>	<u>\$ 294,644</u>	<u>\$ 168,184</u>	<u>\$ 913,449</u>

TOWN OF CORYDON
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008

	<u>Payroll</u>	<u>Keller Project Demolition Retainage</u>	<u>Keller Project Asbestos Removal Retainage</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 1,527,257	\$ 7,822	\$ -	\$ 1,535,079
Deductions:				
Agency fund deductions	<u>1,521,729</u>	<u>19,742</u>	<u>-</u>	<u>1,541,471</u>
Excess (deficiency) of total additions over total deductions	5,528	(11,920)	-	(6,392)
Cash and investment fund balance - beginning	<u>49,252</u>	<u>11,920</u>	<u>1</u>	<u>61,173</u>
Cash and investment fund balance - ending	<u>\$ 54,780</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 54,781</u>

TOWN OF CORYDON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 1,009,321
Improvements other than buildings	64,857
Machinery and equipment	<u>715,240</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,789,418</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 84,798
Buildings	1,334,013
Improvements other than buildings	8,137,070
Machinery and equipment	<u>518,855</u>
Total Water Utility capital assets	<u>10,074,736</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	4,453
Buildings	1,599,187
Improvements other than buildings	6,171,955
Machinery and equipment	<u>225,504</u>
Total Wastewater Utility capital assets	<u>8,001,099</u>
Total business-type activities capital assets	<u>\$ 18,075,835</u>

TOWN OF CORYDON
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
2001 Waterworks refunding	\$ 1,145,000	\$ 281,348
Wastewater Utility:		
Revenue bonds:		
2004 Wastewater refunding	720,000	301,333
Total business-type activities debt	<u>\$ 1,865,000</u>	<u>\$ 582,681</u>

TOWN OF CORYDON
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT

An Annual Financial Report for 2008 was not presented for audit.

IC 5-3-1-3(a) states, in part: "Within sixty (60) days after the expiration of each calendar year, the fiscal officer of each civil city and town in Indiana shall publish an annual report of the receipts and expenditures of the city or town . . ."

CAPITAL ASSET RECORDS

Information presented for audit indicates the Town does not maintain sufficient detail records of capital assets. Also, the Utilities do not maintain sufficient detailed records of capital assets for Utility Plant in Service. Upon purchase, the costs of the capital assets are added to an aggregate Utility Plant in Service account, and to subsidiary accounts for land, buildings, etc., in the General Ledger. However, records providing historical costs for some of the Utilities' capital assets are not available, and records classifying and summarizing the Utilities' capital assets are incomplete. Deletions or disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF CORYDON, HARRISON COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Corydon (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2008. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2008.

Internal Control Over Compliance

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a Town's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

STATE BOARD OF ACCOUNTS

November 3, 2010

TOWN OF CORYDON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-07	Total Federal Awards Expended 12-31-08
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Office of Community and Rural Affairs				
CDBG - State-Administered Small Cities Program Cluster				
Community Development Block Grants/State's Program and				
Non-Entitlement Grants in Hawaii	14.228			
Keller Manufacturing Demolition/Asbestos Removal		BR-06-001	\$ 328,401	\$ 157,198
Chestnut Street Downtown Revitalization		CF-04-129	<u>417,920</u>	<u>-</u>
Total for program			<u>746,321</u>	<u>157,198</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			
Severe Storms and Flooding		Disaster 1795	<u>-</u>	<u>56,455</u>
Total federal awards expended			<u>\$ 746,321</u>	<u>\$ 213,653</u>

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

TOWN OF CORYDON
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 Town of Corydon (Town) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations fewer than 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF CORYDON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF CORYDON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF CORYDON
EXIT CONFERENCE

The contents of this report were discussed on November 3, 2010, with Fred K. Cammack, President of the Town Council, and Tregala M. King, Clerk-Treasurer.