

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

ANNUAL FINANCIAL REPORT

2010

TOWN OF ZIONSVILLE

BOONE COUNTY, INDIANA



FILED
08/08/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	John Yeo	01-01-08 to 12-31-11
President of the Town Council	Matthew Price	01-01-10 to 12-31-11
Town Manager	Edward Mitro	01-01-10 to 12-31-11
Wastewater Utility Superintendent	Dennis Mackey	01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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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 ZIONSVILLE, BOONE COUNTY, INDIANA

We have audited the accompanying financial statement of the Town of Zionsville (Town), for the year ended December 31, 2010. This financial statement is the responsibility of the Town's management. Our responsibility is to express opinions on this financial statement based on our audit.

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

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 14, 2011, 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 integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, 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

July 14, 2011



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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 ZIONSVILLE, BOONE COUNTY, INDIANA

We have audited the financial statement of the Town of Zionsville (Town), for the year ended December 31, 2010, and have issued our report thereon dated July 14, 2011. 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 opinion on the financial statement, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF 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 statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the Town's management, 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

July 14, 2011

FINANCIAL STATEMENT(S)

TOWN OF ZIONSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 3,671,823	\$ 2,587,200	\$ 3,317,756	\$ 2,941,267
Motor Vehicle Highway	1,461,858	1,425,868	2,194,542	693,184
Local Road And Street	10,899	63,874	-	74,773
P&R Non-Reverting-Operating	38,044	13,071	12,336	38,779
Donation	61,676	1,983	10,000	53,659
Continuing Education-Police	13,603	18,318	15,270	16,651
Cji/Byrne Grant	-	-	-	-
P&R	662,695	414,288	743,051	333,932
Child Passenger Safety	873	-	467	406
lcrd Grant	3,623	-	3,623	-
Dui Task Force	577	-	577	-
Town Hall Improvement	81,964	-	49,062	32,902
Operation Pullover Grant	1,805	-	1,805	-
Rainy Day	985,585	692,071	20,560	1,657,096
Police Operating	-	4,655,990	2,450,216	2,205,774
Levy Excess	-	17,898	-	17,898
Food & Beverage Tax	135,794	165,225	156,176	144,843
Task Force (Police)	27,883	-	-	27,883
Record Perpetuation (Adm)	3,683	135	650	3,168
Fire Territory Operating	1,632,713	4,796,452	4,902,543	1,526,622
Bced	1,000	650	200	1,450
Union Fire Loan	-	234,005	240,322	(6,317)
Redevelopment Authority General	52,850	130,299	126,000	57,149
Lr 2008 Redevelopment 106Th St Bond	491,169	255,785	134,513	612,441
Debt Service	865,438	1,310,430	1,297,316	878,552
Lr 2008 Redevelopment Debt Dst	230,855	-	-	230,855
Union Debt Service	-	100,277	56,739	43,538
Cci	(1,320)	25,693	-	24,373
Ccd	20,005	628,346	143,157	505,194
P&R Non-Reverting-Capital	1,323,619	-	262,278	1,061,341
Cobblestone Lake Rd. Improvement	200,000	-	-	200,000
Willow Road Construction	315,004	-	28,670	286,334
Redevelopment District Construction	-	-	-	-
Tiff District	2,635,277	1,139,045	791,330	2,982,992
Town Court	15,997	187,890	180,606	23,281
P&R Improvement	910,343	-	875,326	35,017
Fire Equipment Replacement	3,144,397	267,080	621,013	2,790,464
Park Impact Fee	-	-	-	-
Road Impact Fee	175,566	40,917	-	216,483
Police Pension	-	734,105	734,105	-
Payroll	58,000	6,113,975	6,108,385	63,590
Golf Course Operating	81,368	262,266	208,113	135,521
Trash	37,681	491,520	451,534	77,667
Sewer Operating	953,120	2,462,317	1,868,580	1,546,857
Bond & Interest 1998	11,887	-	11,887	-
2010 Sewage Works Construction	-	750,029	693,083	56,946
Sewer Improvement Carter Agreement	(2,965)	30,825	18,460	9,400
Availability Fees	462,466	650,957	896,352	217,071
2010 Sewage Works Bond/Interest	-	7,626,392	7,577,402	48,990
2010 Debt Service Reserve	-	41,151	2,970	38,181
Totals	<u>\$ 20,776,855</u>	<u>\$ 38,336,327</u>	<u>\$ 37,206,975</u>	<u>\$ 21,906,207</u>

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

TOWN OF ZIONSVILLE
NOTES TO FINANCIAL STATEMENT(S)

Note 1. 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 some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, 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 Town.

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.

TOWN OF ZIONSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(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 statements. The aggregate disbursements may include, but are not limited to, 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 Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

TOWN OF ZIONSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(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 Town 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 Town. 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 Town. 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 Town 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 Town 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 Town 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.

TOWN OF ZIONSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(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 Town 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 Town 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 Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the 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 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.

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. That 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

TOWN OF ZIONSVILLE
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

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

B. 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 Employees' Retirement Plan (PERF) 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.

PERF 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:

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

Funding Policy

The contribution requirements of plan members and the Town are established by the Board of Trustees of PERF.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town of Zionsville's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	P&R Non-Reverting-Operating	Donation	Continuing Education-Police
Cash and investments - beginning	\$ 3,671,823	\$ 1,461,858	\$ 10,899	\$ 38,044	\$ 61,676	\$ 13,603
Receipts:						
Taxes	169,940	864,264	63,874	-	-	-
Licenses and permits	331,198	1,200	-	-	-	-
Intergovernmental	1,007,507	530,099	-	-	-	-
Charges for services	78,808	-	-	-	-	6,681
Fines and forfeits	68,510	-	-	-	-	4,073
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	931,237	30,305	-	13,071	1,983	7,564
Total receipts	<u>2,587,200</u>	<u>1,425,868</u>	<u>63,874</u>	<u>13,071</u>	<u>1,983</u>	<u>18,318</u>
Disbursements:						
Personal services	751,928	710,321	-	-	-	-
Supplies	23,493	173,996	-	6,036	10,000	-
Other services and charges	1,130,603	1,226,729	-	6,300	-	15,270
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	16,582	83,496	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,395,150	-	-	-	-	-
Total disbursements	<u>3,317,756</u>	<u>2,194,542</u>	<u>-</u>	<u>12,336</u>	<u>10,000</u>	<u>15,270</u>
Excess (deficiency) of receipts over disbursements	<u>(730,556)</u>	<u>(768,674)</u>	<u>63,874</u>	<u>735</u>	<u>(8,017)</u>	<u>3,048</u>
Cash and investments - ending	<u>\$ 2,941,267</u>	<u>\$ 693,184</u>	<u>\$ 74,773</u>	<u>\$ 38,779</u>	<u>\$ 53,659</u>	<u>\$ 16,651</u>

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cji/Byrne Grant	P&R	Child Passenger Safety	Icld Grant	Dui Task Force
Cash and investments - beginning	\$ -	\$ 662,695	\$ 873	\$ 3,623	\$ 577
Receipts:					
Taxes	-	382,015	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	32,183	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	90	-	-	-
Total receipts	-	414,288	-	-	-
Disbursements:					
Personal services	-	326,543	-	-	-
Supplies	-	41,516	467	-	-
Other services and charges	-	145,902	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	229,090	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	3,623	577
Total disbursements	-	743,051	467	3,623	577
Excess (deficiency) of receipts over disbursements	-	(328,763)	(467)	(3,623)	(577)
Cash and investments - ending	\$ -	\$ 333,932	\$ 406	\$ -	\$ -

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Town Hall Improvement	Operation Pullover Grant	Rainy Day	Police Operating	Levy Excess
Cash and investments - beginning	\$ 81,964	\$ 1,805	\$ 985,585	\$ -	\$ -
Receipts:					
Taxes	-	-	-	603,178	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	692,071	1,965,215	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	2,087,597	17,898
Total receipts	<u>-</u>	<u>-</u>	<u>692,071</u>	<u>4,655,990</u>	<u>17,898</u>
Disbursements:					
Personal services	-	-	-	2,034,776	-
Supplies	-	-	-	134,379	-
Other services and charges	-	-	-	130,516	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	49,062	-	20,560	150,545	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	1,805	-	-	-
Total disbursements	<u>49,062</u>	<u>1,805</u>	<u>20,560</u>	<u>2,450,216</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(49,062)</u>	<u>(1,805)</u>	<u>671,511</u>	<u>2,205,774</u>	<u>17,898</u>
Cash and investments - ending	<u>\$ 32,902</u>	<u>\$ -</u>	<u>\$ 1,657,096</u>	<u>\$ 2,205,774</u>	<u>\$ 17,898</u>

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Food & Beverage Tax	Task Force (Police)	Record Perpetuation (Adm)	Fire Territory Operating	Bced
Cash and investments - beginning	\$ 135,794	\$ 27,883	\$ 3,683	\$ 1,632,713	\$ 1,000
Receipts:					
Taxes	165,225	-	-	2,001,405	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	2,671,142	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	135	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	123,905	650
Total receipts	<u>165,225</u>	<u>-</u>	<u>135</u>	<u>4,796,452</u>	<u>650</u>
Disbursements:					
Personal services	-	-	-	3,751,662	-
Supplies	-	-	650	96,686	-
Other services and charges	54,322	-	-	424,201	-
Debt service - principal and interest	101,854	-	-	-	-
Capital outlay	-	-	-	268,594	200
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	361,400	-
Total disbursements	<u>156,176</u>	<u>-</u>	<u>650</u>	<u>4,902,543</u>	<u>200</u>
Excess (deficiency) of receipts over disbursements	<u>9,049</u>	<u>-</u>	<u>(515)</u>	<u>(106,091)</u>	<u>450</u>
Cash and investments - ending	<u>\$ 144,843</u>	<u>\$ 27,883</u>	<u>\$ 3,168</u>	<u>\$ 1,526,622</u>	<u>\$ 1,450</u>

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Union Fire Loan	Redevelopment Authority General	Lr 2008 Redevelopment 106Th St Bond	Debt Service	Lr 2008 Redevelopment Debt Dst
Cash and investments - beginning	\$ -	\$ 52,850	\$ 491,169	\$ 865,438	\$ 230,855
Receipts:					
Taxes	222,275	-	-	1,091,702	-
Licenses and permits	-	-	-	-	-
Intergovernmental	11,730	-	-	86,691	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	130,299	255,785	132,037	-
Total receipts	<u>234,005</u>	<u>130,299</u>	<u>255,785</u>	<u>1,310,430</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	240,322	-	134,513	1,297,316	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	126,000	-	-	-
Total disbursements	<u>240,322</u>	<u>126,000</u>	<u>134,513</u>	<u>1,297,316</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(6,317)</u>	<u>4,299</u>	<u>121,272</u>	<u>13,114</u>	<u>-</u>
Cash and investments - ending	<u>\$ (6,317)</u>	<u>\$ 57,149</u>	<u>\$ 612,441</u>	<u>\$ 878,552</u>	<u>\$ 230,855</u>

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Union Debt service	Cci	Ccd	P&R Non-Reverting-Capital	Cobblestone Lake Rd. Improvement
Cash and investments - beginning	\$ -	\$ (1,320)	\$ 20,005	\$ 1,323,619	\$ 200,000
Receipts:					
Taxes	40,120	-	586,988	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	2,118	25,693	31,684	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	58,039	-	9,674	-	-
Total receipts	<u>100,277</u>	<u>25,693</u>	<u>628,346</u>	<u>-</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	56,739	-	143,157	262,278	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>56,739</u>	<u>-</u>	<u>143,157</u>	<u>262,278</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>43,538</u>	<u>25,693</u>	<u>485,189</u>	<u>(262,278)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 43,538</u>	<u>\$ 24,373</u>	<u>\$ 505,194</u>	<u>\$ 1,061,341</u>	<u>\$ 200,000</u>

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	<u>Willow Road Construction</u>	<u>Redevelopment District Construction</u>	<u>Tiff District</u>	<u>Town Court</u>	<u>P&R Improvement</u>
Cash and investments - beginning	\$ 315,004	\$ -	\$ 2,635,277	\$ 15,997	\$ 910,343
Receipts:					
Taxes	-	-	1,078,045	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	61,000	187,890	-
Total receipts	<u>-</u>	<u>-</u>	<u>1,139,045</u>	<u>187,890</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	791,330	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	875,326
Utility operating expenses	-	-	-	-	-
Other disbursements	28,670	-	-	180,606	-
Total disbursements	<u>28,670</u>	<u>-</u>	<u>791,330</u>	<u>180,606</u>	<u>875,326</u>
Excess (deficiency) of receipts over disbursements	<u>(28,670)</u>	<u>-</u>	<u>347,715</u>	<u>7,284</u>	<u>(875,326)</u>
Cash and investments - ending	<u>\$ 286,334</u>	<u>\$ -</u>	<u>\$ 2,982,992</u>	<u>\$ 23,281</u>	<u>\$ 35,017</u>

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	<u>Fire Equipment Replacement</u>	<u>Park Impact Fee</u>	<u>Road Impact Fee</u>	<u>Police Pension</u>	<u>Payroll</u>
Cash and investments - beginning	\$ 3,144,397	\$ -	\$ 175,566	\$ -	\$ 58,000
Receipts:					
Taxes	231,300	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	35,780	-	-	46,819	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	40,917	687,286	6,113,975
Total receipts	<u>267,080</u>	<u>-</u>	<u>40,917</u>	<u>734,105</u>	<u>6,113,975</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	621,013	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	734,105	6,108,385
Total disbursements	<u>621,013</u>	<u>-</u>	<u>-</u>	<u>734,105</u>	<u>6,108,385</u>
Excess (deficiency) of receipts over disbursements	<u>(353,933)</u>	<u>-</u>	<u>40,917</u>	<u>-</u>	<u>5,590</u>
Cash and investments - ending	<u>\$ 2,790,464</u>	<u>\$ -</u>	<u>\$ 216,483</u>	<u>\$ -</u>	<u>\$ 63,590</u>

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Golf Course Operating	Trash	Sewer Operating	Bond & Interest 1998	2010 Sewage Works Construction
Cash and investments - beginning	\$ 81,368	\$ 37,681	\$ 953,120	\$ 11,887	\$ -
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	236,284	487,031	1,831,441	-	-
Penalties	-	4,489	21,782	-	-
Other receipts	25,982	-	609,094	-	750,029
Total receipts	<u>262,266</u>	<u>491,520</u>	<u>2,462,317</u>	<u>-</u>	<u>750,029</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	9,500	-	-	-	-
Utility operating expenses	198,613	451,534	1,868,580	-	-
Other disbursements	-	-	-	11,887	693,083
Total disbursements	<u>208,113</u>	<u>451,534</u>	<u>1,868,580</u>	<u>11,887</u>	<u>693,083</u>
Excess (deficiency) of receipts over disbursements	<u>54,153</u>	<u>39,986</u>	<u>593,737</u>	<u>(11,887)</u>	<u>56,946</u>
Cash and investments - ending	<u>\$ 135,521</u>	<u>\$ 77,667</u>	<u>\$ 1,546,857</u>	<u>\$ -</u>	<u>\$ 56,946</u>

TOWN OF ZIONSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sewer Improvement Carter Agreement	Availability Fees	2010 Sewage Works Bond/Interest	2010 Debt Service Reserve	Totals
Cash and investments - beginning	\$ (2,965)	\$ 462,466	\$ -	\$ -	\$ 20,776,855
Receipts:					
Taxes	-	-	-	-	7,500,331
Licenses and permits	-	-	-	-	332,398
Intergovernmental	-	-	-	-	7,138,732
Charges for services	-	-	-	-	85,489
Fines and forfeits	-	-	-	-	72,718
Utility fees	-	-	-	-	2,554,756
Penalties	-	-	-	-	26,271
Other receipts	30,825	650,957	7,626,392	41,151	20,625,632
Total receipts	<u>30,825</u>	<u>650,957</u>	<u>7,626,392</u>	<u>41,151</u>	<u>38,336,327</u>
Disbursements:					
Personal services	-	-	-	-	7,575,230
Supplies	-	-	-	-	487,223
Other services and charges	-	-	-	-	3,925,173
Debt service - principal and interest	-	844,300	-	2,970	949,124
Capital outlay	-	52,052	-	-	4,510,345
Utility operating expenses	18,460	-	-	-	2,537,187
Other disbursements	-	-	7,577,402	-	17,222,693
Total disbursements	<u>18,460</u>	<u>896,352</u>	<u>7,577,402</u>	<u>2,970</u>	<u>37,206,975</u>
Excess (deficiency) of receipts over disbursements	<u>12,365</u>	<u>(245,395)</u>	<u>48,990</u>	<u>38,181</u>	<u>1,129,352</u>
Cash and investments - ending	<u>\$ 9,400</u>	<u>\$ 217,071</u>	<u>\$ 48,990</u>	<u>\$ 38,181</u>	<u>\$ 21,906,207</u>

TOWN OF ZIONSVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 8,095,058
Infrastructure	32,097,439
Buildings	12,195,407
Improvements other than buildings	22,319,523
Machinery and equipment	5,007,418
Construction in progress	<u>1,008,686</u>
Total governmental activities, capital assets	<u>\$ 80,723,531</u>

TOWN OF ZIONSVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Zionsville Municipal Building Corporation - First Mortgage Bonds	\$ 2,530,000	\$ 400,000
Zionsville Town Hall Building Corporation - Lease Rental Bonds	2,014,000	226,000
Union Township Fire Loan - Lease Rental Bonds	2,662,750	113,250
Bonds payable:		
General obligation bonds:		
Park District Bonds of 2007	4,910,000	527,376
General Obligation Bonds of 2005	1,605,000	210,728
Redevelopment Authority Economic Development Lease Rental Bonds of 2003	1,030,000	123,795
Redevelopment Authority Economic Development Lease Rental Bonds of 2008	<u>5,500,000</u>	<u>459,595</u>
Total governmental activities debt	<u>\$ 20,251,750</u>	<u>\$ 2,060,744</u>
Business-type activities:		
Wastewater Utility		
Revenue bonds:		
Wastewater Bond Anticipation Notes of 2010	1,200,000	37,683
Wastewater Bonds of 2010	5,520,000	300,026
Wastewater ARRA Bonds of 2010	1,254,000	86,872
Wastewater ARRA Bond Anticipation Notes of 2010	<u>835,000</u>	<u>-</u>
Total business-type activities debt	<u>\$ 8,809,000</u>	<u>\$ 424,581</u>

TOWN OF ZIONSVILLE
AUDIT RESULT(S) AND COMMENT(S)

OVERDRAWN FUND BALANCES

The Union Fire Loan Fund was overdrawn by \$6,317 at December 31, 2010.

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

APPROPRIATIONS

The records presented for audit indicated the Union Fire Loan Fund expenditures were in excess of budgeted appropriations by \$3,460.

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

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 ZIONSVILLE, BOONE COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Zionsville (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 program(s) for the year ended December 31, 2010. The Town's major federal program(s) 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 program(s) 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 year ended December 31, 2010.

Internal Control Over Compliance

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

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

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

STATE BOARD OF ACCOUNTS

July 14, 2011

TOWN OF ZIONSVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Bulletproof Vest Partnership Program	16.607	FY 2008	\$ 1,690
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	0300033	222,465
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Department of Environmental Management			
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	2W-00E73001-0	<u>1,279,858</u>
Total federal awards expended			<u>\$ 1,504,013</u>

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF ZIONSVILLE
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Zionsville (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Note 2. Loans Outstanding

The Town had the following loan balances, with continuing federal compliance requirements, outstanding at December 31, 2010. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2010
ARRA-Capitalization Grants for Clean Water State Revolving Funds	66.458	\$ 1,279,858

TOWN OF ZIONSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement(s):

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	ARRA - Capitalization Grants for Clean Water State Revolving Funds

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

None noted.

Section III – Federal Award Findings and Questioned Costs

None noted.

TOWN OF ZIONSVILLE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF ZIONSVILLE
EXIT CONFERENCE

The contents of this report were discussed on July 14, 2011, with John Yeo, Clerk-Treasurer, and Edward Mitro, Town Manager. The officials concurred with our audit findings.