

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

EXAMINATION REPORT

OF

MERIDIAN STREET PRESERVATION COMMISSION

July 1, 2004 to June 30, 2006



**FILED**  
01/25/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chair	Tammara L. Tracy	07-01-04 to 06-30-07
Treasurer	Alice Berger	07-20-04 to 06-30-07



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MERIDIAN STREET PRESERVATION COMMISSION

We have examined the financial information presented herein of Meridian Street Preservation Commission (Commission), for the period of July 1, 2004 to June 30, 2006. The Commission's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Commission for the years ended June 30, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 13, 2006

MERIDIAN STREET PRESERVATION COMMISSION  
 SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 As Of And For The Years Ended June 30, 2005 And 2006

	2005	2006
Cash and investments, July 1	\$ 1,934	\$ 3,467
Receipts:		
Fees	2,100	2,534
Disbursements:		
Recording Fees and Equipment	85	705
Public Notice Publications	134	130
Miscellaneous	348	80
Total disbursements	567	915
Excess of receipts over disbursements	1,533	1,619
Cash and investments, June 30	\$ 3,467	\$ 5,086

The accompanying notes are an integral part of the schedule.

MERIDIAN STREET PRESERVATION COMMISSION  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Commission was established under the laws of the State of Indiana. The Commission provides the following services: preserve and promote restoration of unique and historic residential areas; specifically, a portion of Meridian Street in Indianapolis, Indiana. Funds needed to operate the Commission are obtained through the collection of fees and from donations. The Commission received its initial funding from a grant (\$2,000) from Eli Lilly in September 1972. The Commission consists of nine volunteer members, two appointed by the Mayor of Indianapolis and seven by the Governor. These members hold monthly meetings to hear petitions from Meridian Street property owners. The owners must file a petition to obtain approval for any zoning variances or to make any changes in appearance of their property.

Note 2. Fund Accounting

The Commission uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the Commission to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

MERIDIAN STREET PRESERVATION COMMISSION  
EXAMINATION RESULTS AND COMMENTS

DISBURSEMENT DOCUMENTATION

Several disbursements were observed which did not contain adequate supporting documentation.

Due to the lack of supporting information, the validity and accountability for some monies disbursed could not be established.

Supporting documentation such as receipts, invoices, bills, contracts, etc., must be made available for audit to provide supporting information for the validity and accountability of monies received or disbursed. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1)

DAILY DEPOSITS

As stated in prior Reports B08340 and B14867, the Meridian Street Preservation Commission did not consistently deposit receipts for filing fees within the following business day.

Indiana Code 5-13-6-1(b) states in part: ". . . all public funds . . . shall be deposited with the treasurer of state, or an approved depository selected by the treasurer of state not later than the business day following the receipt of the funds."

INTERNAL CONTROLS

Receipts are not always issued for revenue received. The controls over receipting and accounting are insufficient to support the financial activity.

Each Commission, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Chapter 1).

MERIDIAN STREET PRESERVATION COMMISSION  
EXIT CONFERENCE

The contents of this report were discussed on December 18, 2006, with Tammara L. Tracy, Chair; and Alice Berger, Treasurer. The officials concurred with our findings.