

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

EXAMINATION REPORT

OF

MADISON PORT AUTHORITY

JEFFERSON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
02/06/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Executive Officer	Cathy S. Hale	01-01-04 to 12-31-07
Secretary	Cathy S. Hale	01-01-04 to 12-31-07
Chairman of the Board	Jerry A. Thaden	01-01-04 to 12-31-07
Mayor	Albert G. Huntington	01-01-04 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MADISON PORT AUTHORITY, JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of the Madison Port Authority (Port Authority), for the period of January 1, 2004 to December 31, 2005. The Port Authority'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 District for the years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 14, 2006

MADISON PORT AUTHORITY  
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
 GOVERNMENTAL FUND TYPE  
 As of and for the Years Ended December 31, 2004 And 2005

	<u>Cash and Investments 01-01-04</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-04</u>
General	<u>\$ 339,521</u>	<u>\$ 459,663</u>	<u>\$ 455,895</u>	<u>\$ 343,289</u>
	<u>Cash and Investments 01-01-05</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-05</u>
General	<u>\$ 343,289</u>	<u>\$ 464,568</u>	<u>\$ 428,631</u>	<u>\$ 379,226</u>

The accompanying notes are an integral part of the financial schedules.

MADISON PORT AUTHORITY  
NOTES TO SCHEDULES

Note 1. Introduction

The Port Authority was established under the laws of the State of Indiana. The Port Authority provides rail service between the City of Madison and the City of North Vernon, including the maintenance of the railroad line.

Note 2. Fund Accounting

The Port Authority 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. Budgets

The operating budget is initially prepared and approved at the local level.

Note 4. 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 Port Authority 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. Pension Plan

Defined Contribution Pension Plan

Plan Description

The Port Authority has a defined contribution pension plan. As authorized by Indiana Code 8-10-5-6.5 the Madison Port Authority is the plan administrator. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. Information about the plan may be obtained from the Madison Port Authority's representative:

Cathy S. Hale  
City of Madison Port Authority  
1121 West JPG Woodfill Road  
Madison, IN 47250  
Phone (812) 273-4248

Funding Policy

The contribution requirements of plan members are established by the plan. The Port Authority contributes at a rate of 5.5 % of annual payroll.

MADISON PORT AUTHORITY  
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2006, with Cathy S. Hale, Chief Executive Officer. Our examination disclosed no material items that warrant comment at this time.