

STATE BOARD OF ACCOUNTS
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INDIANAPOLIS, INDIANA 46204-2769

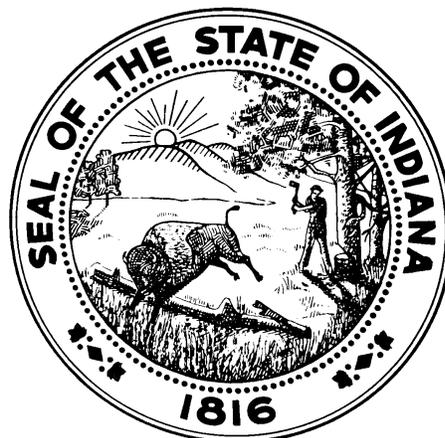
ANNUAL FINANCIAL REPORT

2007

NOBLESVILLE REDEVELOPMENT AUTHORITY

A COMPONENT UNIT OF THE CITY OF NOBLESVILLE

HAMILTON COUNTY, INDIANA



FILED

08/27/2008

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OFFICIALS

Office

Official

Term

Secretary-Treasurer

Janet S. Jaros

01-01-04 to 12-31-11

President of the Redevelopment
Authority Board

Terry Busby

01-01-07 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE NOBLESVILLE REDEVELOPMENT
AUTHORITY, HAMILTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities and each major fund of the Noblesville Redevelopment Authority (Authority), as of and for the year ended December 31, 2007, which collectively comprise the Authority's primary government basic financial statements. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the Authority as of December 31, 2007, and for the year then ended, in conformity with accounting principles generally accepted in the United States.

The Authority has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

STATE BOARD OF ACCOUNTS

April 29, 2008

NOBLESVILLE REDEVELOPMENT AUTHORITY
STATEMENT OF NET ASSETS
December 31, 2007

<u>Assets</u>	<u>Primary Government Governmental Activities</u>
Cash and cash equivalents	\$ 32,275,937
Deferred debits	1,708,016
Construction in progress	46,517,117
Investments in capital lease	<u>140,795,000</u>
 Total assets	 <u>221,296,070</u>
 <u>Liabilities</u>	
Accrued interest payable	1,119,262
Noncurrent liabilities:	
Due within one year:	
General obligation bonds payable	1,155,000
Due in more than one year:	
General obligation bonds payable (net of discounts or premiums)	<u>141,995,024</u>
 Total liabilities	 <u>144,269,286</u>
 <u>Net Assets</u>	
Restricted for:	
Debt service	10,377,027
Capital outlay	<u>66,649,757</u>
 Total net assets	 <u>\$ 77,026,784</u>

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

NOBLESVILLE REDEVELOPMENT AUTHORITY
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2007

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 7,502	\$ -	\$ -	\$ (7,502)
Highways and streets	-	1,366,000	24,330,000	25,696,000
Interest on long-term debt	<u>5,507,506</u>	-	-	<u>(5,507,506)</u>
 Total primary government	 <u>\$ 5,515,008</u>	 <u>\$ 1,366,000</u>	 <u>\$ 24,330,000</u>	 20,180,992
 General revenues:				
Unrestricted investment earnings				<u>2,374,994</u>
 Change in net assets				 <u>22,555,986</u>
 Net assets - beginning as previously stated				 89,126,773
Prior period adjustment (See Note IV.)				<u>(34,655,975)</u>
 Net assets - beginning as restated				 <u>54,470,798</u>
 Net assets - ending				 <u>\$ 77,026,784</u>

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

NOBLESVILLE REDEVELOPMENT AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2007

<u>Assets</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Totals</u>
Cash and cash equivalents	\$ 10,662,465	\$ 21,613,472	\$ 32,275,937
 <u>Liabilities and Fund Balances</u>			
Fund balances:			
Reserved for:			
Debt service	\$ 10,662,465	\$ -	\$ 10,662,465
Capital projects	-	21,613,472	21,613,472
Total fund balances	<u>10,662,465</u>	<u>21,613,472</u>	32,275,937
Total liabilities and fund balances	<u>\$ 10,662,465</u>	<u>\$ 21,613,472</u>	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	187,312,117
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,708,016
Other liabilities, interest payable, are not due and payable in the current period and, therefore, are not reported in the funds	(1,119,262)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(143,150,024)</u>
Net assets of governmental activities	<u>\$ 77,026,784</u>

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

NOBLESVILLE REDEVELOPMENT AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	Debt Service	Capital Projects	Total Governmental Funds
Revenues:			
Lease rental income	\$ 2,196,000	\$ -	\$ 2,196,000
Interest earned	<u>439,389</u>	<u>1,935,605</u>	<u>2,374,994</u>
 Total revenues	 <u>2,635,389</u>	 <u>1,935,605</u>	 <u>4,570,994</u>
Expenditures:			
Current:			
General government	-	7,502	7,502
Debt service:			
Principal	830,000	-	830,000
Interest	5,574,553	-	5,574,553
Bond issuance costs	144,714	-	144,714
Capital outlay:			
Highways and streets	<u>-</u>	<u>40,616,458</u>	<u>40,616,458</u>
 Total expenditures	 <u>6,549,267</u>	 <u>40,623,960</u>	 <u>47,173,227</u>
Excess (deficiency) of revenues over expenditures	<u>(3,913,878)</u>	<u>(38,688,355)</u>	<u>(42,602,233)</u>
Other financing sources (uses):			
Transfers in	2,077,371	65,324	2,142,695
Transfers out	(65,324)	(2,077,371)	(2,142,695)
Issuance of debt	-	24,330,000	24,330,000
Discount on bonds	<u>-</u>	<u>(209,238)</u>	<u>(209,238)</u>
 Total other financing sources (uses)	 <u>2,012,047</u>	 <u>22,108,715</u>	 <u>24,120,762</u>
Net change in fund balances	(1,901,831)	(16,579,640)	(18,481,471)
Fund balances - beginning	<u>12,564,296</u>	<u>38,193,112</u>	<u>50,757,408</u>
Fund balances - ending	<u>\$ 10,662,465</u>	<u>\$ 21,613,472</u>	<u>\$ 32,275,937</u>

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

NOBLESVILLE REDEVELOPMENT AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND OTHER CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2007

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Other Changes in Fund Balances)	\$ (18,481,471)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are recognized as other assets.	40,616,458
Payments received on a capital lease provide current financial resources to governmental funds but have no effect on net assets.	(830,000)
Investments in capital leases used in governmental activities do not use current financial resources and, therefore, are not reported in the funds.	24,330,000
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(23,094,733)
Accrued interest reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	<u>15,732</u>
Change in net assets of governmental activities (Statement of Activities)	<u>\$ 22,555,986</u>

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

NOBLESVILLE REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Noblesville Redevelopment Authority (primary government) was established under the laws of the State of Indiana. The primary government has been created for the purpose of financing, constructing, acquiring, and leasing certain local public improvements, economic development and redevelopment projects.

The accompanying financial statements present the activities of the primary government and its significant component units. There are no significant component units which require inclusion.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and has been recognized as revenue of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

NOBLESVILLE REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

The primary government reports the following major governmental funds:

The debt service fund (debt service) accounts for the accumulation of resources and payments of general obligation bonds. Financing is provided by semiannual lease payments from the City of Noblesville.

The capital projects fund (capital projects) accounts for expenditures related to the construction of various infrastructure projects. Financing is provided by the issuance of general obligation bonds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

When both restricted and unrestricted resources are available for use, it is the primary government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The primary government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the primary government 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.

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

Open-end mutual funds are reported at fair value.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. Other money market investments are reported at fair value.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Restricted Assets

Certain proceeds of the general obligation bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets balance sheet because they are reserved for the repayment of the bonds.

NOBLESVILLE REDEVELOPMENT AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

3. Capital Assets

Major outlays for capital assets and improvements are recognized as construction in progress projects until completed, at which time they are transferred to the capital assets of the City of Noblesville.

4. Long-Term Obligations

In the government-wide financial statements long-term debt is reported as a liability. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

5. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

II. Reconciliation of Government-Wide and Fund Financial Statements

A. One element of that reconciliation explains that other assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The details of this difference are as follows:

Construction in progress	\$ 46,517,117
Investment in capital assets	<u>140,795,000</u>
Net adjustment	<u><u>\$ 187,312,117</u></u>

B. Another element of that reconciliation explains that governmental funds report the issuance of long-term debt provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds reported the effects of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of this difference are as follows:

General obligation bonds - due within one year	\$ (1,155,000)
General obligation bonds - due in more than one year	<u>(141,995,024)</u>
Net adjustment	<u><u>\$ (143,150,024)</u></u>

NOBLESVILLE REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Other Changes in Fund Balances and the Government-Wide Statement of Activities

1. One element of that reconciliation states that governmental fund report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are recognized as other assets. The details of this difference are as follows:

Expenditures - capital outlay	\$ 40,616,458
Net adjustment	\$ 40,616,458

2. Another element of that reconciliation explains that governmental funds report the issuance of long-term debt provide current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds reported the effects of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The detail of the difference is as follows:

Bond issuance	\$ (24,330,000)
Bond issuance discount	209,238
Bond issuance costs	144,714
Amortization of bond issuance costs	(130,083)
Amortization of premiums/discounts	181,398
Principal payments	830,000
Net adjustment	\$ (23,094,733)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

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, 2007, the bank balance held at the Bank of New York Trust Company in the amount of \$32,275,937 was collateralized with securities held by the pledging financial institution's trust department or agent in the depositor-Holding Corporation's name. The remaining 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.

NOBLESVILLE REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2007, the Holding Corporation had the following investments:

Investment Type	Primary Government Market Value
Mutual funds	\$ 32,275,937

Investment Policies

Indiana Code 5-13-9 authorizes the Authority to invest in securities backed by the full faith and credit of the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the Town and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the Authority may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Authority does not

NOBLESVILLE REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

have a formal investment policy for custodial credit risk for investments. At December 31, 2007, the Authority held investments in mutual funds in the amount of \$32,275,937. Of these investments, \$32,275,937 were held by the counterparty's trust department of agent in the Authority's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Building Corporation must follow state statute and limit the state final maturities of the investments to no more than two years.

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
Mutual bond funds	\$ 32,275,937	\$ -	\$ -

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Standard and Poor's Rating	Moody's Rating	Noblesville Redevelopment Authority's Investments			
		Mutual Funds	Corporate Bonds	Government Sponsored Enterprise	Investment Pools
AAA	Aaa	\$ 32,275,937	\$ -	\$ -	\$ -

Concentration of Credit Risk

Concentration of credit risk is the risk or loss attributed to the magnitude of a government's investment in a single issuer. The Authority does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

B. Construction Commitments

Construction work in progress is composed of the following:

NOBLESVILLE REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Project	Total Project Authorized	Expended to December 31, 2007	Committed	Required Future Funding
Exit 10 - Corporate Campus	\$ 18,317,782	\$ 18,317,782	\$ -	\$ -
146th Street	13,651,337	13,443,898	207,439	-
Hamilton Town Center	7,876,936	7,876,936	-	-
Hazel Dell Road	<u>24,766,548</u>	<u>6,878,501</u>	<u>17,888,047</u>	-
Totals	<u>\$ 64,612,603</u>	<u>\$ 46,517,117</u>	<u>\$ 18,095,486</u>	<u>\$ -</u>

C. Interfund Balances and Activity

Interfund Transfers

Interfund transfers at December 31, 2007, were as follows:

Transfer From	Transfer To		
	Debt Service	Capital Project	Totals
Debt service	\$ -	\$ 65,324	\$ 65,324
Capital project	<u>2,077,371</u>	<u>-</u>	<u>2,077,371</u>
Totals	<u>\$ 2,077,371</u>	<u>\$ 65,324</u>	<u>\$ 2,142,695</u>

The primary government typically uses transfer excess funds from the Debt Service Fund to the Capital Projects Fund.

D. Long-Term Liabilities

1. Lease Rental Bonds

The primary government issues bonds to be paid from lease of the acquired or constructed assets. Lease rental bonds outstanding at year end are as follows:

NOBLESVILLE REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Purpose	Interest Rates	Amount
Governmental activities:		
Primary government:		
1999 Bonds (Fox Prairie Golf Course Expansion)	4.5% to 5.75%	\$ 2,290,000
2001 Bonds (Stoney Creek East Economic Development Area)	3.75% to 5.35%	4,620,000
2003 Bonds (Hague Road and Field Drive Projects)	4.00% to 5.00%	13,485,000
2003 Bonds (Exit 10 Project)	2.75% to 4.65%	23,880,000
2004 Bonds (Little Chicago Road Project)	2.35% to 5.00%	6,950,000
2006 Bonds (146th Street Extension Project)	4.00% to 5.25%	44,370,000
2006 Bonds (Hamilton Town Center)	4.50% to 5.00%	20,870,000
2007 Bonds (Hazel Dell Road)	4.25% to 5.75%	<u>24,330,000</u>
Total		140,795,000
Due within one year		(1,155,000)
Unamortized premium:		
Bond discount		(246,891)
Bond premium		<u>2,601,915</u>
Total		<u>\$ 141,995,024</u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2008	\$ 1,155,000	\$ 6,794,723
2009	1,680,000	6,835,793
2010	2,200,000	6,763,010
2011	3,135,000	6,665,381
2012	4,065,000	6,519,514
2013-2017	29,565,000	29,212,379
2018-2022	38,925,000	20,823,289
2023-2027	41,085,000	10,520,269
2028-2032	<u>18,985,000</u>	<u>1,652,972</u>
Totals	<u>\$ 140,795,000</u>	<u>\$ 95,787,330</u>

NOBLESVILLE REDEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2007, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
Lease rental bonds	\$ 117,295,000	\$ 24,330,000	\$ 830,000	\$ 140,795,000	\$ 1,155,000

IV. Other Information

A. Risk Management

The primary government is exposed to various risks of loss related to torts. The primary government has not provided coverage for their risks of loss. The City of Noblesville has provided coverage for the primary government's risks of loss.

B. Restatements and Reclassifications

For the year ended December 31, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the primary government. The following schedule presents a summary of restated beginning balances by fund type. Prior period adjustments represent the following:

Construction in progress was reduced due to duplication of construction projects in prior years.

	<u>Statement of Activities</u>
Net assets - beginning - as previously stated	\$ 89,126,773
Prior period adjustments:	
Capital assets - construction in progress	<u>(34,655,975)</u>
Net assets - beginning - as restated	<u>\$ 54,470,798</u>

NOBLESVILLE REDEVELOPMENT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on April 30, 2008, with Janet S. Jaros, Secretary-Treasurer. Our audit disclosed no material items that warrant comment at this time.