

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

EXAMINATION REPORT
OF

EVANSVILLE-VANDERBURGH
COUNTY BUILDING AUTHORITY
VANDERBURGH COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
General Manager	David Rector	01-01-06 to 12-31-08
Treasurer	Andrew Goebel	01-01-06 to 12-31-08
President of the Board of Directors	John Stanley	01-01-06 to 12-31-08
President of the Board of Trustees	Wilbert Robinson Ralph Kissinger	01-01-06 to 12-31-07 01-01-08 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EVANSVILLE-VANDERBURGH COUNTY
BUILDING AUTHORITY, VANDERBURGH COUNTY, INDIANA

We have examined the financial information presented herein of the Evansville-Vanderburgh County Building Authority (Authority), for the period of January 1, 2006 to December 31, 2007. The 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 Authority for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 1, 2008

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
Operating	\$ 474,858	\$ 6,443,619	\$ 6,381,942	\$ 536,535
Lease Rental 2003	1,307,196	2,697,350	2,607,203	1,397,343
Operation and Reserve 2003	45,706	5,441	2,674	48,473
Sinking Fund 2003	35	2,603,644	2,603,644	35
Capitalized Interest 2003	761,293	1,284,655	2,043,242	2,706
Excess Fund	5,024,098	19,588	5,039,710	3,976
Depreciation Fund	2,750,900	310,227	214,269	2,846,858
Depreciation Fund Auditorium	1,539,961	358,537	-	1,898,498
Depreciation Fund Jail	100,000	103,421	-	203,421
Depreciation Fund Correction Center	50,000	51,710	-	101,710
Construction Fund	1,849,682	282,743	1,945,662	186,763
Loan Fund	187	4,126,076	4,103,941	22,322
Special Projects	-	568,908	28,668	540,240
Fiduciary Funds:				
Payroll	350	950,959	949,467	1,842
Tax Fund	738	384,760	377,198	8,300
Health Reimbursement Account	-	513	454	59
Totals	\$ 13,905,004	\$ 20,192,151	\$ 26,298,074	\$ 7,799,081
	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Operating	\$ 536,535	\$ 7,016,714	\$ 6,564,046	\$ 989,203
Lease Rental 2003	1,397,343	2,765,627	2,750,623	1,412,347
Operation and Reserve 2003	48,473	37,366	5,660	80,179
Operation and Reserve 2003 Jail	-	9,863	689	9,174
Sinking Fund 2003	35	2,709,000	2,709,035	-
Capitalized Interest 2003	2,706	2,559,037	2,561,729	14
Excess Fund	3,976	183	4,159	-
Depreciation Fund	2,846,858	232,786	1,614,267	1,465,377
Depreciation Fund Auditorium	1,898,498	401,817	-	2,300,315
Depreciation Fund Jail	203,421	110,628	-	314,049
Depreciation Fund Correction Center	101,710	55,317	-	157,027
Construction Fund	186,763	3,076	189,839	-
Loan Fund	22,322	203	22,525	-
Special Projects	540,240	24,408	95,801	468,847
Fiduciary Funds:				
Payroll	1,842	1,012,895	1,013,126	1,611
Tax Fund	8,300	410,953	418,895	358
Health Reimbursement Account	59	1,850	1,814	95
Totals	\$ 7,799,081	\$ 17,351,723	\$ 17,952,208	\$ 7,198,596

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

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Authority was established under the laws of the State of Indiana for the purpose of acquiring land and financing, acquiring, improving, constructing, reconstructing, renovating, equipping, and operating governmental buildings and systems and leasing them to governmental entities. The Building Authority operates under an appointed governing board.

Note 2. Fund Accounting

The 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

On or before August 31, the fiscal officer of the Building Authority 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 passage of a resolution, approves the budget of the next year.

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 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.

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 5. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Authority 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 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 Authority 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% 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

Funding Policy and Annual Pension Cost

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

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Authority has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Loans payable		
Energy Savings Loan - Centre	\$ 216,657	\$ 152,454
Energy Savings Loan - Civic Center Complex	675,730	214,269
Bonds payable:		
Revenue bonds:		
Proceeds used to refund bonds issued to construct the Centre	25,270,000	2,760,756
Proceeds used to refund bonds issued to construct the Vanderburgh County jail	<u>33,440,000</u>	<u>2,552,150</u>
Total governmental activities debt	<u>\$ 59,602,387</u>	<u>\$ 5,679,629</u>

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
EXAMINATION RESULT AND COMMENT

PRESCRIBED FORMS

The following prescribed forms were not in use:

Ledger of Receipts, Disbursements and Balances (Form 358) and
Ledger of Appropriations, Encumbrances and Balances (Form 359).

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on October 8, 2008, with David Rector, General Manager; Andrew Goebel, Treasurer; and Judith Bishop, Office Manager. The official response has been made a part of this report and may be found on page 10.

EVANSVILLE-VANDERBURGH COUNTY BUILDING AUTHORITY



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DIRECTORS

John W. Stanley, *President*
Joseph T. Theby, *Vice-President*
Stephen Titzer, *Secretary*
Andrew E. Goebel, *Treasurer*
Matthew Singer, *Member*

TRUSTEES

Ralph W. Kissinger, *President*
Pamela Gallagher, *Vice-President*
Rebecca Kasha, *Secretary*
Jack McNeely, *Member*
Steven Sweeney, *Member*

W. David Rector, *General Manager*

November 10, 2008

State Board of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-2765

Re: Official Response

To Whom It May Concern:

The Evansville-Vanderburgh County Building Authority (hereinafter referred to as the EVCBA) wishes to file an official response to the remarks we were advised would be included in our annual audit from the exit conference held on October 8, 2008.

The EVCBA objects to the citation that our accounting software QuickBooks does not comply with the State Board of Accounts requirements. Quickbooks meets our requirements for record keeping and financial accountability. It is a widely used program and in our opinion should be acceptable to the State Board of Accounts.

Sincerely,

A handwritten signature in black ink, appearing to read "W. David Rector".

W. David Rector
General Manager

WDR/lrs