

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, 2008 to December 31, 2009



FILED
01/04/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5
Supplementary Information:	
Schedule of Capital Assets.....	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Executive Officer	Cathy S. Hale	01-01-08 to 12-31-10
Secretary	Cathy S. Hale	01-01-08 to 12-31-10
Chairman of the Board	Jerry A. Thaden	01-01-08 to 12-31-10
Mayor	Tim Armstrong	01-01-08 to 12-31-11



STATE OF INDIANA
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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, 2008 to December 31, 2009. 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 Port Authority for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, 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

September 30, 2010

MADISON PORT 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Fund:				
General	\$ 820,127	\$ 1,129,796	\$ 756,538	\$ 1,193,385
Fiduciary Fund:				
Payroll	<u>5,576</u>	<u>293,754</u>	<u>298,019</u>	<u>1,311</u>
Totals	<u>\$ 825,703</u>	<u>\$ 1,423,550</u>	<u>\$ 1,054,557</u>	<u>\$ 1,194,696</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Fund:				
General	\$ 1,193,385	\$ 1,273,246	\$ 991,121	\$ 1,475,510
Fiduciary Fund:				
Payroll	<u>1,311</u>	<u>336,459</u>	<u>336,412</u>	<u>1,358</u>
Totals	<u>\$ 1,194,696</u>	<u>\$ 1,609,705</u>	<u>\$ 1,327,533</u>	<u>\$ 1,476,868</u>

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

MADISON PORT AUTHORITY
NOTES TO FINANCIAL INFORMATION

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 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 the 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, Indiana 47250
Phone (812) 273-4248

Funding Policy

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

MADISON PORT AUTHORITY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2009

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 back trending (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:	
Capital assets, not being depreciated:	
Right Of Way/Easements & JPG	\$ 398,627
Buildings	67,725
Improvements other than buildings	191,203
Transportation equipment	509,429
Maintenance equipment	<u>138,652</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 1,305,636</u></u>

MADISON PORT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2010, with Cathy S Hale, Chief Executive Officer; and Casey Goode, Administrative Manager. Our examination disclosed no material items that warrant comment at this time.