

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
PORTER REDEVELOPMENT AUTHORITY
PORTER COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
10/31/2006

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OFFICIALS

Office

Official

Term

President of the Board

William Donley

01-01-04 to 12-31-05

Secretary-Treasurer

Michael Liebert

01-01-04 to 12-31-05



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PORTER REDEVELOPMENT AUTHORITY, PORTER COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of Porter Redevelopment Authority (Authority), for the period of January 1, 2004 to December 31, 2005. The Authority's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Except for the fact the ledgers and the receipts were not maintained and board minutes and a management representation letter were not presented for 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 schedule of receipts, disbursements, and cash and investment balances 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, except for the fact that ledgers and receipts were not maintained, and board minutes and management representation letter were not presented for examination, the schedules referred to above present fairly, in all material respects, the cash transactions of the Authority 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

September 11, 2006

PORTER REDEVELOPMENT AUTHORITY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUNDS
As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 3,958	\$ 97,793	\$ 49,974	\$ 51,777
Debt Service	26,216	603,477	629,692	1
Totals	<u>\$ 30,174</u>	<u>\$ 701,270</u>	<u>\$ 679,666</u>	<u>\$ 51,778</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 51,777	\$ 52,097	\$ 103,874	\$ -
Debt Service	1	372,841	372,842	-
Totals	<u>\$ 51,778</u>	<u>\$ 424,938</u>	<u>\$ 476,716</u>	<u>\$ -</u>

The accompanying notes are an integral part of the schedules.

PORTER REDEVELOPMENT AUTHORITY
NOTES TO SCHEDULES

Note 1. Introduction

The Porter Redevelopment Authority (Authority) was established under the laws of the State of Indiana. The Authority operates under an appointed governing board. The Town of Porter, under Indiana Code 36-7-14.5, created the Porter Redevelopment Authority. The Authority is a separate body corporate and politic and has the ability to finance public improvements for lease to the Porter Redevelopment Commission

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. 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.

Note 4. Dissolution

Officials have indicated that the Redevelopment Authority was dissolved in 2005.

PORTER REDEVELOPMENT AUTHORITY, PORTER COUNTY
EXAMINATION RESULTS AND COMMENTS

BOARD MINUTES

Board Minutes for 2004 and 2005 were not presented for audit.

Minutes, memoranda (minutes) of the meeting shall include the following items:

1. Date, time, and place of the meeting;
2. Members present and absent;
3. The general substance of all matters proposed, discussed or decided; and
4. A record of all votes taken, by individual members if there is a roll call. The memoranda should be available to the public within a reasonable period of time after the meeting. [IC 5-14-1.5-4] (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 12)

Indiana Code 36-7-14.5-9 Sec. 9(a) states in part: "Immediately after January 15 of each year, the board shall hold an organizational meeting. It shall elect one (1) of the members, president, another vice president, and another secretary-treasurer to perform the duties of those offices"

SPECIAL DISTRICT ANNUAL REPORT (SDAR) NOT PRESENTED FOR AUDIT

The Special District Annual Report (SDAR) was not presented for audit for the year ended December 31, 2005.

The district shall prepare and file annual financial reports required under IC 5-11-1-4 with the State Board of Accounts. (Accounting and Uniform Compliance Guidelines for Special Districts, Chapter 3)

CONDITION OF RECORDS

The following were not presented for audit for years 2004 and 2005:

1. Ledgers
2. Bank Account Reconciliations
3. Receipts
4. Accounts Payable Vouchers

The activity reported for 2004 is based on the annual report from 2004, which was verified to the bank activity. The activity reported for 2005 is based on the bank activity for 2005.

Indiana Code 13-26-7-1 states: "Each district must keep proper records showing the district's finances." The district is encouraged to use the chart of accounts and accounting system prescribed by the State Board of Accounts for use by municipal utilities as outlined in Chapter 24 of this manual. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 2)

PORTER REDEVELOPMENT AUTHORITY, PORTER COUNTY
EXAMINATION RESULTS AND COMMENTS
(Continued)

RESOLUTION OF DISSOLUTION

The Porter Redevelopment Authority disbanded in 2005. A resolution of dissolution as required was not completed.

All accounts were closed and bonds were satisfied.

Indiana Code 36-7-14.5-12.2 section (b) states: "Whenever the board determines that:

- (1) the purposes for which the authority was formed have been substantially fulfilled; and
- (2) all bonds issued and all other obligations incurred by the authority have been fully paid or satisfied or provision for the payment of the bonds and obligations has been made in accordance with the terms of the resolution or trust indenture securing them; the board may declare the authority dissolved. On the effective date of the resolution of dissolution, the title to all funds and other property owned by the authority at the time of the dissolution vests in the commission on behalf of the unit creating the commission. However, if the commission is not in existence, the title vests in the unit.

OFFICIAL BONDS

Members appointed to the Redevelopment Authority were not bonded or covered by a crime insurance policy.

A financial clerk shall execute a surety bond in the manner prescribed by IC 5-4-1. [IC14-33-5-18(b)] (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

Crime insurance policies permitted by statute should be recorded in the same manner as official bonds under Indiana Code 5-4. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

PORTER REDEVELOPMENT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2006, with Paul L. Childress, President of the Town Council.