

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

AUDIT REPORT  
OF  
COUNTY REDEVELOPMENT COMMISSION  
DELAWARE COUNTY, INDIANA  
January 1, 2008 to December 31, 2008



**FILED**  
12/04/2009



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Redevelopment Commission	Jeff Huff	01-01-08 to 12-31-09
President of the County Council	Bradley Bookout Christopher Matchett	01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board of County Commissioners	John Brooke Todd Donati	01-01-08 to 12-31-08 01-01-09 to 12-31-09



**STATE OF INDIANA**  
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TO: THE OFFICIALS OF DELAWARE COUNTY, INDIANA

We have audited the records of the County Redevelopment Commission for the period from January 1, 2008 to December 31, 2008, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of Delaware County for the year 2008.

STATE BOARD OF ACCOUNTS

October 22, 2009

COUNTY REDEVELOPMENT COMMISSION  
DELAWARE COUNTY  
AUDIT RESULTS AND COMMENTS

SUPPORTING DOCUMENTATION

The County Redevelopment Commission has several trust accounts, but no ledgers were presented for audit.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Counties, Chapter 1)

PURCHASE OF STREET LIGHTS AND WIND TURBINE

On June 12, 2009, the Delaware County Redevelopment Commission entered into a development agreement with VAT-Energies, LLC for the purchase of solar and wind powered street lights and a vertical vane wind turbine at a cost of \$1,500,000 from the Morrison Road TIF District. The vertical vane wind turbine will be placed in the Park One TIF district. The solar and wind powered street lights will be placed in various places around the County including the Park One TIF District. There were insufficient funds available in the Park One TIF District for allocation to this project. The County provided documentation of the official's determination at a public meeting that this project serves the Morrison road allocation area.

IC 36-7-14-25.1(a) provides:

". . . The amount of the bonds may not exceed the total, as estimated by the commission, of all expenses reasonably incurred in connection with the acquisition and redevelopment of the property, including: ( 1) the total cost of all land, rights-of-way, and other property to be acquired and redeveloped; (2) all reasonable and necessary architectural, engineering, legal, financing, accounting, advertising, bond discount, and supervisory expenses related to the acquisition and redevelopment of the property or the issuance of bonds; (3) capitalized interest permitted by this chapter and a debt service reserve for the bonds to the extent the redevelopment commission determines that a reserve is reasonably required; and (4) expenses that the redevelopment commission is required or permitted to pay under IC 8-23-17" (relocation assistance)."

IC 36-7-14-39(b) states in part:

". . . The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

COUNTY REDEVELOPMENT COMMISSION  
DELAWARE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

- (B) the base assessed value; shall be allocated to and, when collected, paid into the funds of the respective taxing units.
- (2) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:
- (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.
- (D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.
- (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.
- (G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.
- (H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.
- (I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area: . . .
- (J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. [Our emphasis.] Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.
- (K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

COUNTY REDEVELOPMENT COMMISSION  
DELAWARE COUNTY  
AUDIT RESULTS AND COMMENTS  
(Continued)

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance. However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision. The allocation fund may not be used for operating expenses of the commission. . . ."

COUNTY REDEVELOPMENT COMMISSION  
DELAWARE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on October 22, 2009, with Jeff Huff, President of the County Redevelopment Commission; Bruce Baldwin, County Redevelopment Commission Staff; and Traci Lutton, County Redevelopment Commission Staff.