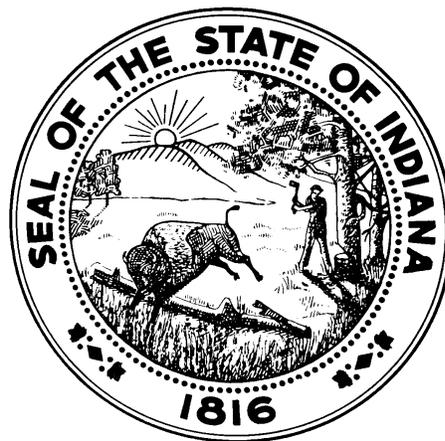


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
INDIANA NATURAL RESOURCES FOUNDATION

July 1, 2005 to June 30, 2007



FILED
04/22/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman	Ian Rolland	07-01-02 to 06-30-08
Executive Director	Cassandra Sponsel Nick Heinzelman	07-21-05 to 01-31-06 02-01-06 to 06-30-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA NATURAL RESOURCES FOUNDATION

We have examined the financial information presented herein of the Indiana Natural Resources Foundation, for the period of July 1, 2005 to June 30, 2007. The Foundation'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 Foundation for the years ended June 30, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

January 31, 2008

INDIANA NATURAL RESOURCES FOUNDATION
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
For the Year Ended June 30, 2006

	Special Revenue Funds		Nonexpendable Trust Fund	Totals (Memorandum Only)
	Operating Fund Unrestricted	Operating Fund Restricted	Endowment Fund	
Cash and investments, July 1	\$ 270,274	\$ 330,014	\$ 100,000	\$ 700,288
Receipts:				
Private gifts, grants, and bequests	55,451	2,555	-	58,006
Interest income	15,564	3,247	-	18,811
Total receipts	71,015	5,802	-	76,817
Disbursements:				
Promotions	1,797	-	-	1,797
Grants	-	38,823	-	38,823
Consulting fees	1,000	-	-	1,000
Miscellaneous	70,007	1,226	-	71,233
Total disbursements	72,804	40,049	-	112,853
Excess (deficiency) of total receipts over total disbursements	(1,789)	(34,247)	-	(36,036)
Cash and investments, June 30	\$ 269,381	\$ 127,530	\$ 100,000	\$ 496,911

The accompanying notes are an integral part of the schedules.

INDIANA NATURAL RESOURCES FOUNDATION
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
For the Year Ended June 30, 2007

	Special Revenue Funds		Nonexpendable Trust Fund	Totals (Memorandum Only)
	Operating Fund Unrestricted	Operating Fund Restricted	Endowment Fund	
Cash and investments, July 1	\$ 268,485	\$ 295,767	\$ 100,000	\$ 664,252
Receipts:				
Private gifts, grants, and bequests	8,953	10,417	-	19,370
Interest income	16,624	3,961	-	20,585
Total receipts	25,577	14,378	-	39,955
Disbursements:				
Promotions	23,679		-	23,679
Grants	-	40,273	-	40,273
Miscellaneous	1,002	142,342	-	143,344
Total disbursements	24,681	182,615	-	207,296
Excess (deficiency) of total receipts over total disbursements	896	(168,237)	-	(167,341)
Cash and investments, June 30	\$ 269,381	\$ 127,530	\$ 100,000	\$ 496,911

The accompanying notes are an integral part of the schedules.

INDIANA NATURAL RESOURCES FOUNDATION
NOTES TO SCHEDULES
JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies

A. Introduction

The Indiana Natural Resources Foundation is a governmental unit, separate in body, corporate and politic, of the State of Indiana. Its mission is to promote, support, assist, sustain and encourage charitable, educational and scientific programs, projects and policies of the Indiana Department of Natural Resources.

B. Reporting Entity

The financial schedules presented in this report represent only the accounts and funds applicable to the Indiana Natural Resources Foundation and are not intended to present the financial position or results of operation of the State of Indiana.

C. Fund Accounting

The Foundation uses funds to report on its cash and investments and 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. The Foundation has the following fund types:

Special Revenue Funds

Operating Fund, Unrestricted – This fund is used to account for all donations which are not restricted as to their use.

Operating Fund, Restricted – This fund is used to account for all donations that are restricted in their use and account for the interest earned on the Endowment Fund.

Nonexpendable Trust Fund

Endowment Fund – This fund is used to account for funds held by the Foundation as trustee, the principal of which may not be expended. Interest on funds may be used for the purpose specified in the trust agreement.

INDIANA NATURAL RESOURCES FOUNDATION
NOTES TO SCHEDULES
JUNE 30, 2007
(Continued)

D. Operating Expenses

The financial schedules do not reflect the total operating costs of the Indiana Natural Resources Foundation. The financial schedules reflect disbursements for certain program and support services of the Foundation.

The Executive Director of the Foundation is paid from the Department of Natural Resources' operating account. Certain staff members of the Department of Natural Resources are providing support services of the Foundation.

Note 2. 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.

All deposits are made in a business checking or business savings (market index) account. The Foundation received a donation of stock during the year ended June 30, 2001. The stock was placed into a brokerage account.

The Foundation's investments are categorized below to give an indication of the level of risk assumed by the Foundation at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the Foundation or its agent in the Foundation's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Foundation's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Foundation's name.

	Category			Reported	Fair
	1	2	3	Amount	Value
June 30, 2001:					
Stocks, Rights and Warrants	\$ 1,046	\$ -	\$ -	\$ 1,046	\$ 846.43

INDIANA NATURAL RESOURCES FOUNDATION
EXIT CONFERENCE

The contents of this report were discussed on April 10, 2008, with Nick Heinzelman, Executive Director. Our examination disclosed no material items that warrant comment at this time.