

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

AUDIT REPORT
OF
SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
RIPLEY COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
07/05/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Susan A. Craig	01-01-05 to 12-31-07
Treasurer	Scott A. Fortner	01-01-05 to 12-31-07
President of the Board	Mark S. Vice	01-01-05 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

TO: THE OFFICIALS OF THE SOUTHEASTERN INDIANA REGIONAL
PLANNING COMMISSION, RIPLEY COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Southeastern Indiana Regional Planning Commission (Commission), as of and for the years ended December 31, 2005 and 2006, which collectively comprise the Commission's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Commission prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the Commission as of December 31, 2005 and 2006, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

In accordance with Government Auditing Standards, we have also issued a report dated June 6, 2007, on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the Commission taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Commission has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

STATE BOARD OF ACCOUNTS

June 6, 2007



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE SOUTHEASTERN INDIANA REGIONAL
PLANNING COMMISSION, RIPLEY COUNTY, INDIANA

We have audited the financial statements of the Southeastern Indiana Regional Planning Commission (Commission), as of and for the years ended December 31, 2005 and 2006, and have issued our report thereon dated June 6, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Commission's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

June 6, 2007

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2005

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
				<u>Primary Government Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 524,872	\$ 316,381	\$ 126,589	\$ 10,000
Health and welfare	813,355	-	813,355	-
Economic development	33,979	-	33,979	-
Debt service	12,573	-	-	-
	1,384,779	316,381	973,923	10,000
Total primary government	\$ 1,384,779	\$ 316,381	\$ 973,923	\$ 10,000
General receipts:				
Other local sources				946
Grants and contributions not restricted to specific programs				76,816
Unrestricted investment earnings				5,286
				83,048
Total general receipts				83,048
Change in net assets				(1,427)
Net assets - beginning				287,254
Net assets - ending				\$ 285,827
 <u>Assets</u>				
Cash and investments				\$ 285,827
 <u>Net Assets</u>				
Unrestricted				\$ 285,827

The notes to the financial statements are an integral part of this statement.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2006

<u>Functions/Programs</u>	<u>Disbursements</u>	<u>Program Receipts</u>		<u>Net (Disbursements) Receipts and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Primary Government</u>
				<u>Governmental Activities</u>
Primary government:				
Governmental activities:				
General government	\$ 516,659	\$ 348,988	\$ 60,760	\$ (106,911)
Health and welfare	826,035	-	826,035	-
Urban redevelopment and housing	5,454	-	5,454	-
Economic development	151,195	-	151,195	-
Debt service	12,573	-	-	(12,573)
Total primary government	<u>\$ 1,511,916</u>	<u>\$ 348,988</u>	<u>\$ 1,043,444</u>	<u>(119,484)</u>
General receipts:				
Other local sources				904
Grants and contributions not restricted to specific programs				76,135
Unrestricted investment earnings				11,793
Total general receipts				<u>88,832</u>
Change in net assets				(30,652)
Net assets - beginning				<u>285,827</u>
Net assets - ending				<u>\$ 255,175</u>
 <u>Assets</u>				
Cash and investments				<u>\$ 255,175</u>
 <u>Net Assets</u>				
Unrestricted				<u>\$ 255,175</u>

The notes to the financial statements are an integral part of this statement.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	General	Public Transportation Section 5311	IDWD Grant Fund	Other Governmental Funds	Totals
Receipts:					
Intergovernmental	\$ 127,179	\$ 813,355	\$ 33,979	\$ -	\$ 974,513
Charges for services	316,381	-	-	-	316,381
Other	92,458	-	-	-	92,458
Total receipts	<u>536,018</u>	<u>813,355</u>	<u>33,979</u>	<u>-</u>	<u>1,383,352</u>
Disbursements:					
General government	521,051	-	-	3,821	524,872
Economic development	-	-	33,979	-	33,979
Health and welfare	-	813,355	-	-	813,355
Debt service:					
Principal	8,492	-	-	-	8,492
Interest	4,081	-	-	-	4,081
Total disbursements	<u>533,624</u>	<u>813,355</u>	<u>33,979</u>	<u>3,821</u>	<u>1,384,779</u>
Excess (deficiency) of receipts over disbursements	2,394	-	-	(3,821)	(1,427)
Cash and investment fund balance - beginning	<u>257,727</u>	<u>-</u>	<u>-</u>	<u>29,527</u>	<u>287,254</u>
Cash and investment fund balance - ending	<u>\$ 260,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,706</u>	<u>\$ 285,827</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Unrestricted	<u>\$ 260,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,706</u>	<u>\$ 285,827</u>

The notes to the financial statements are an integral part of this statement.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2006

	General	Public Transportation Section 5311	IDWD Grant Fund	Other Governmental Funds	Totals
Receipts:					
Intergovernmental	\$ 61,664	\$ 826,035	\$ 151,195	\$ 5,454	\$ 1,044,348
Charges for services	348,988	-	-	-	348,988
Other	87,928	-	-	-	87,928
Total receipts	498,580	826,035	151,195	5,454	1,481,264
Disbursements:					
General government	516,604	-	-	55	516,659
Economic development	-	-	151,195	-	151,195
Health and welfare	-	826,035	-	-	826,035
Urban redevelopment and housing	-	-	-	5,454	5,454
Debt service:					
Principal	8,895	-	-	-	8,895
Interest	3,678	-	-	-	3,678
Total disbursements	529,177	826,035	151,195	5,509	1,511,916
Deficiency of receipts over disbursements	(30,597)	-	-	(55)	(30,652)
Cash and investment fund balance - beginning	260,121	-	-	25,706	285,827
Cash and investment fund balance - ending	<u>\$ 229,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,651</u>	<u>\$ 255,175</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Unrestricted	<u>\$ 229,524</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,651</u>	<u>\$ 255,175</u>

The notes to the financial statements are an integral part of this statement.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Commission was established under the laws of the State of Indiana. The Commission operates as a joint venture under an appointed governing board consisting of representatives within a region composed of Dearborn, Decatur, Franklin, Jefferson, Jennings, Ohio, Ripley, and Switzerland Counties. The Commission provides technical assistance to units within the region served as provided by statute. Technical assistance may include providing services for planning, developing, administering, improving, and securing public and private grants, cooperative agreements between governments, and the performance of governmental powers and duties.

In determining the financial reporting entity, the Commission complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The Commission has no fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The Commission had no business-type activities.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The Commission has no proprietary or fiduciary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the Commission has not established any enterprise funds.

The Commission reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The public transportation section 5311 fund receives and disburses Federal and state funds for the Formula Grants in Other Than Urbanized Areas program. All receipts are from the Indiana Department of Transportation. All disbursements are to subrecipient Lifetime Resources.

The IDWD Grant fund was established to receive and disburse funds for the Indiana Strategic Skills Initiative.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Measurement Focus and Basis of Accounting

The government-wide and governmental fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the Commission utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The Commission does not have any proprietary funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

It is the Commission's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance.

E. Receipts and Disbursements

Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

The operating budget is prepared and approved at the local level and does not require final approval by the Indiana Department of Local Government Finance.

The Commission's management cannot transfer budgeted appropriations between object classifications without approval of the governing board.

B. Member Assessments

The following is a schedule of assessments requested and membership fees received from each member county during the years ending December 31, 2005, and December 31, 2006.

County	2005		2006	
	Requested	Received	Requested	Received
Dearborn	\$ 18,444	\$ 18,444	\$ 18,444	\$ 18,444
Decatur	9,822	9,822	9,822	9,822
Franklin	8,861	8,861	8,861	8,861
Jefferson	12,682	11,500	12,682	12,682
Jennings	11,022	11,022	11,022	11,022
Ohio	2,250	2,250	2,250	2,250
Ripley	10,610	10,610	10,610	10,610
Switzerland	3,626	3,626	3,626	3,125
Totals	<u>\$ 77,317</u>	<u>\$ 76,135</u>	<u>\$ 77,317</u>	<u>\$ 76,816</u>

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

Deposits and Investments

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

Investment Policies

Indiana Code 5-13-9 authorizes the Commission to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the Commission and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the Commission may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Pension Plan

Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

On July 1, 2006, the Commission began contributing 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 the 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 Commission 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 member's 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. The 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 plan members for PERF are established by the Board of Trustees of PERF. Actuarial information is not available for the Commission.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	<u>INVision Southeast</u>	<u>Building Fund</u>	<u>Totals</u>
Receipts	\$ -	\$ -	\$ -
Disbursements:			
General government	<u>305</u>	<u>3,516</u>	<u>3,821</u>
Deficiency of receipts over disbursements	(305)	(3,516)	(3,821)
Cash and investment fund balance - beginning	<u>26,011</u>	<u>3,516</u>	<u>29,527</u>
Cash and investment fund balance - ending	<u>\$ 25,706</u>	<u>\$ -</u>	<u>\$ 25,706</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Unrestricted	<u>\$ 25,706</u>	<u>\$ -</u>	<u>\$ 25,706</u>

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2006

	<u>INVision Southeast</u>	<u>Aurora HPG Grant</u>	<u>Totals</u>
Receipts:			
Intergovernmental	\$ -	\$ 5,454	\$ 5,454
Disbursements:			
General government	55	-	55
Urban redevelopment and housing	<u>-</u>	<u>5,454</u>	<u>5,454</u>
Total disbursements	<u>55</u>	<u>5,454</u>	<u>5,509</u>
Deficiency of receipts over disbursements	(55)	-	(55)
Cash and investment fund balance - beginning	<u>25,706</u>	<u>-</u>	<u>25,706</u>
Cash and investment fund balance - ending	<u>\$ 25,651</u>	<u>\$ -</u>	<u>\$ 25,651</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Unrestricted	<u>\$ 25,651</u>	<u>\$ -</u>	<u>\$ 25,651</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE SOUTHEASTERN INDIANA REGIONAL
PLANNING COMMISSION, RIPLEY COUNTY, INDIANA

Compliance

We have audited the compliance of the Southeastern Indiana Regional Planning Commission (Commission) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended December 31, 2005 and 2006. The Commission's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Commission's management. Our responsibility is to express an opinion on the Commission's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with those requirements.

In our opinion, the Commission complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2005 and 2006.

Internal Control Over Compliance

The management of the Commission is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Commission's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Commission's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

June 6, 2007

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2005 and 2006

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-05	Total Federal Awards Expended 12-31-06
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Direct Grant				
Rural Housing Preservation Grants	10.433			
Aurora Housing Grant		FY 2006	\$ -	\$ 5,454
<u>U.S. DEPARTMENT OF COMMERCE</u>				
Direct Grant				
Economic Development - Support for Planning Organizations	11.302			
EDA Planning		06-83-04907	25,814	-
EDA Planning		06-83-05014	29,946	29,946
EDA Planning		06-83-05106	-	30,814
Total for program			<u>55,760</u>	<u>60,760</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Pass-Through Indiana Department of Transportation				
Formula Grants for Other Than Urbanized Areas	20.509			
Section 5311		18O23230	433,119	-
Section 5311		18A23230	-	518,169
Total for program			433,119	518,169
State Planning and Research	20.515	334049	<u>55,378</u>	-
Total for federal grantor agency			<u>488,497</u>	<u>518,169</u>
Total federal awards expended			<u>\$ 544,257</u>	<u>\$ 584,383</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
 NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Southeastern Indiana Regional Planning Commission (Commission) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of regional planning commissions shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the Commission provided federal awards to subrecipients as follows for the years ended December 31, 2005 and 2006:

Program Title	Federal CFDA Number	2005	2006
Formula Grants for Other Than Urbanized Areas	20.509	<u>\$ 433,119</u>	<u>\$ 518,169</u>

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.509	Formula Grants for Other Than Urbanized Areas

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No items were reportable.

SOUTHEASTERN INDIANA REGIONAL PLANNING COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on June 6, 2007, with Susan A. Craig, Executive Director; Scott A. Fortner, Treasurer; and Mark S. Vice, President of the Board. Our audit disclosed no material items that warrant comment at this time.