

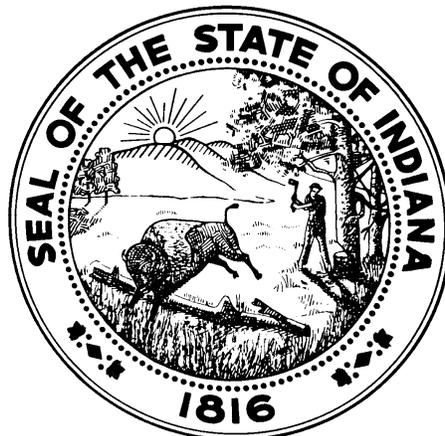
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT

OF

GOVERNOR'S PUBLIC BUILDING FOUNDATION, INC.

July 1, 2006 to June 30, 2008



FILED

04/22/2009

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
Examination Results and Comments:	
Internal Control	6
Bank Account Reconciliations	6
Exit Conference.....	7
Official Response	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Governor	Hon. Mitchell E. Daniels, Jr.	01-10-05 to 01-13-13
Administrator	Danielle Chrysler	01-10-05 to 08-01-06
	Jill Burleson	08-02-06 to 02-10-08
	Julie Aud	02-11-08 to 01-13-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GOVERNOR'S PUBLIC BUILDING FOUNDATION, INC.

We have examined the financial information presented herein of the Governor's Public Building Foundation, Inc., for the period of July 1, 2006 to June 30, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 25, 2009

GOVERNOR'S PUBLIC BUILDING FOUNDATION, INC.
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
As Of And For The Years Ended June 30, 2007 And 2008

	2007	2008
Cash and investments, July 1	\$ 120,002	\$ 11,653
Receipts:		
Contributions	238,171	19,769
Proceeds from fundraisers	50,147	-
Event revenue	61,982	-
Total receipts	350,300	19,769
Disbursements:		
Interior improvements	413,924	4,152
Fundraiser expenses	26,326	-
Catering	4,045	-
Household goods and decorations	10,192	18,459
Miscellaneous	1,990	2,741
Postage	2,108	-
Bank fees	94	-
Total disbursements	458,679	25,352
Excess of receipts over disbursements	(108,379)	(5,583)
Cash and investments, June 30	\$ 11,623	\$ 6,070

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

GOVERNOR'S PUBLIC BUILDING FOUNDATION, INC.
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Foundation was established under the laws of the State of Indiana. The Foundation provides the following services: culture and general administrative services.

Note 2. Basis of Accounting

The Foundation's Schedule of Receipts, Disbursements, and Cash and Investment Balances 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.

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.

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 Foundation to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

GOVERNOR'S PUBLIC BUILDING FOUNDATION, INC.
EXAMINATION RESULTS AND COMMENTS
June 30, 2008

INTERNAL CONTROL

As stated in our prior Report B30412, the accounting functions of the Governor's Public Building Foundation, Inc., are completed by one employee. This leads to a lack of internal control. At a minimum, the ledgers and reconcilements should be reviewed by a responsible official.

Each agency, department, institution or office should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are part of an internal control system. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

BANK ACCOUNT RECONCILIATIONS

As stated in our prior Report B30412, depository reconciliations of the fund balances to the bank account balances were not completed in a timely manner.

Each agency, department, institution or office that does not use the state's accounting system or have funds outside the system must maintain appropriate accounting records and controls. This includes performing monthly bank statement reconciliations. (Accounting and Uniform Compliance Guidelines Manual for State and Quasi Agencies, Chapter 1)

GOVERNOR'S PUBLIC BUILDING FOUNDATION, INC.
EXIT CONFERENCE

The contents of this report were discussed on March 26, 2009, with Julie Aud, Administrator. The official response has been made a part of this report and may be found on page 8.



STATE OF INDIANA
OFFICE OF THE GOVERNOR

State House, Second Floor
Indianapolis, Indiana 46204

Mitchell E. Daniels, Jr.
Governor

April 2, 2009

Mr. Michael Hoose
State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, IN 46204

Re: Official Response to Audit of Governor's Public Building Foundation

Dear Mr. Hoose:

The Governor's Public Building Foundation agrees with your findings and will implement all of the recommended guidelines set forth in the report.

Sincerely,

J. Sebastian Smelko
Associate General Counsel
Office of the Governor

cc: Julie Aud, Chief of Staff to the First Lady