

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

INDIANA NATURAL RESOURCES FOUNDATION

July 1, 2007 to June 30, 2011



FILED
09/14/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman	Ian Rolland	07-01-02 to 06-30-13
Executive Director	Nicholas Heinzelman Bourke Patton	02-01-06 to 04-20-08 04-21-08 to 06-30-13



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA NATURAL RESOURCES FOUNDATION

We have examined the accompanying financial statements of the Indiana Natural Resources Foundation (Foundation), for the period of July 1, 2007 to June 30, 2011. The Foundation's management is responsible for the financial statements. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Foundation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Foundation for the years ended June 30, 2008, 2009, 2010, and 2011, on the basis of accounting described in Note 1.

This report is intended solely for the information and use of the Foundation's management, Board of Directors, and others within the entity 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 21, 2012

INDIANA NATURAL RESOURCES FOUNDATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
As Of And For The Year Ended June 30, 2008

	Special Revenue Funds		Nonexpendable Trust Fund	Totals (Memorandum Only)
	Operating Fund Unrestricted	Operating Fund Restricted	Endowment Fund	
Cash and Investments, July 1	\$269,381	\$127,530	\$100,000	\$496,911
Receipts:				
Private gifts, grants, bequests	10,909	64,130		75,038
Interest Income	11,562	2,817		14,379
Total Receipts	22,471	66,947		89,418
Disbursements				
Promotions	1,500	1,500		3,000
Grants		8,313		8,313
Director's Compensation	12,905			12,905
Marketing and Development	10,000			10,000
Education				
Equipment		11,368		11,368
Land Acquisition				
Miscellaneous	326	150		476
Total Disbursements	24,731	21,331		46,062
Excess (deficiency) of total receipts over (under) total disbursements	(2,260)	45,616		43,356
Transfer	(102,464)	102,464		
Cash and investments, June 30	<u>\$164,657</u>	<u>\$275,610</u>	<u>\$ 100,000</u>	<u>\$ 540,267</u>

The accompanying notes are an integral part of the statements.

INDIANA NATURAL RESOURCES FOUNDATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
As Of And For The Year Ended June 30, 2009

	Special Revenue Funds		Nonexpendable Trust Fund	Totals (Memorandum Only)
	Operating Fund Unrestricted	Operating Fund Restricted	Endowment Fund	
Cash and Investments, July 1	\$ 164,657	\$ 275,610	\$ 100,000	\$ 540,267
Receipts:				
Private gifts, grants, bequests	29,374	220,004		249,378
Interest Income	3,196	764		3,960
Total Receipts	32,570	220,768		253,338
Disbursements				
Promotions				
Grants		60,446		60,446
Director's Compensation	70,862			70,862
Marketing and Development	8,043			8,043
Equipment		54,233		54,233
Land Acquisition				
Miscellaneous		5,880		5,880
Total Disbursements	78,905	120,559		199,463
Excess (deficiency) of total receipts over (under) total disbursements	(46,334)	100,209		53,875
Cash and investments, June 30	\$ 118,323	\$ 375,819	\$ 100,000	\$ 594,142

The accompanying notes are an integral part of the statements.

INDIANA NATURAL RESOURCES FOUNDATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
As Of And For The Year Ended June 30, 2010

	Special Revenue Funds		Nonexpendable Trust Fund	Totals (Memorandum Only)
	Operating Fund Unrestricted	Operating Fund Restricted	Endowment Fund	
Cash and Investments, July 1	\$ 118,323	\$ 375,819	\$ 100,000	\$ 594,142
Receipts:				
Private gifts, grants, bequests	59,036	131,463		190,499
Interest Income	4,405	686		5,091
Total Receipts	63,441	132,149		195,590
Disbursements				
Promotions		6,777		6,777
Grants		20,250		20,250
Director's Compensation	68,106			68,106
Marketing and Development	2,954			2,954
Education		103,295		103,295
Equipment		8,333		8,333
Land Acquisition				
Miscellaneous	4,842	1,074		5,916
Total Disbursements	75,902	139,729		215,631
Excess (deficiency) of total receipts over (under) total disbursements	(12,461)	(7,580)		(20,042)
Cash and investments, June 30	\$ 105,862	\$ 368,239	\$ 100,000	\$ 574,101

The accompanying notes are an integral part of the statements.

INDIANA NATURAL RESOURCES FOUNDATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
As Of And For The Year Ended June 30, 2011

	Special Revenue Funds		Nonexpendable Trust Fund	Totals (Memorandum Only)
	Operating Fund Unrestricted	Operating Fund Restricted	Endowment Fund	
Cash and Investments, July 1	\$ 105,862	\$ 368,239	\$ 100,000	\$ 574,101
Receipts:				
Private gifts, grants, bequests	51,891	363,577		415,468
Interest Income	37,938	7,618		45,557
Total Receipts	89,829	371,195		461,025
Disbursements				
Promotions				-
Grants		6,552		6,552
Director's Compensation	66,985			66,985
Marketing and Development	9,414	10,580		19,994
Education		51,488		51,488
Equipment		8,730		8,730
Land Acquisition		16,193		16,193
Miscellaneous	2,991	1,620		4,611
Total Disbursements	79,390	95,164		174,554
Excess (deficiency) of total receipts over (under) total disbursements	10,439	276,032		286,471
Cash and investments, June 30	<u>\$ 116,301</u>	<u>\$ 644,271</u>	<u>\$ 100,000</u>	<u>\$ 860,572</u>

The accompanying notes are an integral part of the statements.

INDIANA NATURAL RESOURCES FOUNDATION
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Indiana Natural Resources Foundation (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.

The accompanying financial statements present the financial information for the Foundation.

B. Basis of Accounting

The financial statements are reported on regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The regulatory 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

C. Cash and Investment

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

Note 2. 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. The Foundation does not have a deposit policy for custodial credit risk. The Foundation deposits were only insured up to \$250,000 by the Federal Depository Insurance Corporation.

B. Investments - The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Foundation does not have a formal investment policy for custodial credit risk for investments. The Foundation's investments are held in the name of the Foundation.

Note 3. Funds Transfer

In the fiscal year 2008, the Board of Directors of the Foundation approved funds of \$102,464 to be transferred from unrestricted to restricted to be used for the Urban Family Outdoors Program and the purchase of Goose Pond Fish and Wildlife Area.

INDIANA NATURAL RESOURCES FOUNDATION
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2012, with Bourke Patton, Executive Director, and Nicholas Heinzelman, former Executive Director. Our examination disclosed no material items that warrant comment at this time.