

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

INDIANA 15 REGIONAL PLANNING COMMISSION

DUBOIS COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/10/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Lisa Gehlhausen	01-01-10 to 12-31-12
Treasurer	Beverly Schulthise	01-01-10 to 12-31-12
President of the Board	Lawrence M. Vollmer Paul Lake	01-01-10 to 12-31-11 01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF INDIANA 15 REGIONAL PLANNING
COMMISSION, DUBOIS COUNTY, INDIANA

We have examined the accompanying financial statements of Indiana 15 Regional Planning Commission (Commission), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Commission's management. 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 Commission 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 Commission for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Commission's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Grant Activity, Schedule of Payables and Receivables, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Commission's management, the Commission's Board, 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

August 7, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Commission. The financial statements and notes are presented as intended by the Commission.

INDIANA 15 REGIONAL PLANNING COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 234,471	\$ 841,448	\$ 750,747	\$ 325,172

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

INDIANA 15 REGIONAL PLANNING COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Fund	<u>\$ 325,172</u>	<u>\$ 781,203</u>	<u>\$ 547,521</u>	<u>\$ 558,854</u>

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

INDIANA 15 REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Commission was established under the laws of the State of Indiana. The Commission operates under an appointed governing board.

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

B. Basis of Accounting

The financial statements are reported on a 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. Receipts are recorded when received and disbursements are recorded when paid.

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 Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include the following sources:

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

INDIANA 15 REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Commission. It includes all expenditures for the reduction of the principal and interest of the Commission's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Fund Accounting

The Commission uses a single fund to report on its cash and investments and the results of its operations on a cash basis.

Note 2. Budgets

The operating budget is initially prepared and approved by the Commission. After adoption of a budget, the pro rata shared are certified to the member county auditors for the purpose of establishing a rate in the county budgets. The budget does not require approval by the Indiana Department of Local Governmental Finance, except as it appears in the budgets of the member counties.

INDIANA 15 REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 3. *Deposits and Investments*

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize the Commission to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 4. *Risk Management*

The Commission may be 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; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Commission to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Commission by recording as a disbursement any replacement items purchased.

Note 5. *Pension Plans*

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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. That report may be obtained by contacting:

INDIANA 15 REGIONAL PLANNING COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Indiana Public Retirement System
1 North Capital Street, suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Commission's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Commission's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifonline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Commission which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Commission. It is presented as intended by the Commission.

INDIANA 15 REGIONAL PLANNING COMMISSION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General
Cash and investments - beginning	\$ 234,471
Receipts:	
Intergovernmental	415,829
Charges for services	408,728
Other receipts	16,891
Total receipts	841,448
Disbursements:	
Other disbursements	750,747
Total disbursements	750,747
Excess of receipts over disbursements	90,701
Cash and investments - ending	\$ 325,172

INDIANA 15 REGIONAL PLANNING COMMISSION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General Fund
Cash and investments - beginning	\$ 325,172
Receipts:	
Intergovernmental	210,858
Charges for services	567,257
Other receipts	3,088
Total receipts	781,203
Disbursements:	
Other disbursements	547,521
Total disbursements	547,521
Excess of receipts over disbursements	233,682
Cash and investments - ending	\$ 558,854

INDIANA 15 REGIONAL PLANNING COMMISSION
SCHEDULE OF GRANT ACTIVITY
As Of And For The Year Ended December 31, 2010

	DOT Regional Transportation Grant 10805964	DOT Regional Transportation Grant 11808044	EDA Grant 06-83-05221-01	EDA Grant 06-83-05593	EPA/Brownfields BF-00E64201-0
Revenues:					
Federal Grant	\$ 17,536	\$ 24,812	\$ 34,222	\$ 29,165	\$ 198,250
State Grant	-	-	-	-	29,738
General Fund Program Support	(4,076) *	-	20,475	-	-
Local Match	3,486	5,908	34,222	29,165	-
Total Revenues	16,946	30,720	88,919	58,330	227,988
Expenses:					
Salaries	9,769	9,681	41,907	26,869	4,170
Fringe Benefits	2,766	3,015	14,615	9,370	1,454
Conferences/Training	-	-	1,080	253	-
Repairs on Equipment	-	216	-	-	-
Supplies/Software	2,968	1,458	-	-	46
Postage	-	13	34	80	17
Staff Travel and Expenses	170	429	3,708	2,121	582
Contractual Services	-	4,424	-	-	218,982
Miscellaneous Expense	1,017	38	68	2,000	-
Indirect Costs	6,102	6,179	27,507	17,637	2,737
Total Expenses	22,792	25,453	88,919	58,330	227,988
Excess (Deficiency) of Revenues Over (Under) Expenses	(5,846)	5,267	-	-	-
Grant Balance 1-1-10	5,846	-	-	-	-
Grant Balance 12-31-10	\$ -	\$ 5,267	\$ -	\$ -	\$ -

*Reflects revenue based on fee schedule set by DOT for performing traffic counts during grant period.

Note: This schedule is prepared on the modified accrual basis of accounting which is how the grants are accounted for on the unit's records. This basis is not consistent with how the financial statements are presented.

INDIANA 15 REGIONAL PLANNING COMMISSION
SCHEDULE OF GRANT ACTIVITY
As Of And For The Year Ended December 31, 2011

	DOT Regional Transportation Grant 12804025	DOT Regional Transportation Grant 11808044	EDA Grant 06-83-05593	EPA/Brownfields BF-00E64201-0
Revenues:				
Federal Grant	\$ 22,929	\$ 7,064	\$ 75,139	\$ 51,046
State Grant	-	-	-	7,657
General Fund Program Support	-	(1,292) *	-	-
Local Match	5,171	1,516	75,139	-
Total Revenues	28,100	7,288	150,278	58,703
Expenses:				
Salaries	8,293	4,759	63,797	2,349
Fringe Benefits	1,999	1,725	22,398	737
Conferences/Training	-	-	3,181	-
Supplies/Software	2,316	1,461	600	-
Report Preparation	86	-	-	14
Postage	8	-	90	-
Staff Travel and Expenses	584	138	3,769	1,013
Furniture and Equipment Purchase	1,992	-	3,500	-
Contractual Services	-	-	-	52,750
Miscellaneous Expense	-	640	2,000	-
Indirect Costs	6,083	3,832	50,943	1,824
Total Expenses	21,361	12,555	150,278	58,687
Excess (Deficiency) of Revenues Over (Under) Expenses	6,739	(5,267)	-	16
Grant Balance 1-1-11	-	5,267	-	-
Grant Balance 12-31-11	<u>\$ 6,739</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16</u>

*Reflects revenue based on fee schedule set by DOT for performing traffic counts during grant period.

Note: This schedule is prepared on the modified accrual basis of accounting which is how the grants are accounted for on the unit's records. This basis is not consistent with how the financial statements are presented.

INDIANA 15 REGIONAL PLANNING COMMISSION
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 666</u>	<u>\$ 61,944</u>

INDIANA 15 REGIONAL PLANNING COMMISSION
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 37,500
Buildings	256,260
Machinery, equipment and vehicles	<u>132,017</u>
Total governmental activities	<u>425,777</u>
Total capital assets	<u>\$ 425,777</u>

INDIANA 15 REGIONAL PLANNING COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2012, with Lisa Gehlhausen, Executive Director; Beverly Schulthise, Treasurer; Paul Lake, President of the Board; and Sarah Kinder, Financial Administrator. Our examination disclosed no material items that warrant comment at this time.