

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

ANNUAL FINANCIAL REPORT

2012

WEST CENTRAL INDIANA ECONOMIC

DEVELOPMENT DISTRICT, INC.

VIGO COUNTY, INDIANA



FILED
09/16/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Mervin J. Nolot Ron Hinsenkamp	01-01-12 to 12-31-12 01-01-13 to 12-31-13
Bookkeeper	Dana Jill M. McLain	01-01-12 to 12-31-13
President of the Board	Michael Costello Judy Anderson	01-01-12 to 12-31-12 01-01-13 to 12-31-13



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE WEST CENTRAL INDIANA ECONOMIC
DEVELOPMENT DISTRICT, INC. VIGO COUNTY, INDIANA

Report on the Financial Statements

We have audited the accompanying cash basis financial statements of the West Central Indiana Economic Development District INC. (District), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the District as of December 31, 2012, and the respective changes in cash basis financial position, thereof and for the year then ended, in conformity with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements that describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Combining Schedule of Activity – Cash Basis and the Schedule of Expenditures of Federal Awards as required by the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (Circular A-133), are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Schedule of Activity – Cash Basis and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Schedule of Activity – Cash Basis and the Schedule of Expenditure of Federal Awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 29, 2013, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Economic Development District's internal control over financial reporting and compliance.



Bruce Hartman
State Examiner

July 29, 2013



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

TO: THE OFFICIALS OF THE WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT
DISTRICT, INC. VIGO COUNTY, INDIANA, LOCATIONNAME, INDIANA

We have audited, in accordance with the 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, the financial statements of the West Central Indiana Economic Development District, INC. (District) which comprise the Statement of Financial Position – Cash Basis as of December 31, 2012, and the related Statement of Activity – Cash Basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 29, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in item 2012-1 of the accompanying Schedule of Findings and Questioned Costs to be a material weakness.

A significant deficiency is a deficiency, or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2012-1.

Economic Development District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman
State Examiner

July 29, 2013

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
STATEMENT OF FINANCIAL POSITION - CASH BASIS
DECEMBER 31, 2012

Assets:	
Cash and cash equivalents	<u>\$ 604,667</u>
Liabilities and Net Position:	
Unrestricted Net Position	<u>\$ 604,667</u>
Total Liabilities and Net Position	<u>\$ 604,667</u>

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

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
STATEMENT OF ACTIVITY - CASH BASIS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2012

Receipts:	
Intergovernmental Receipts	
Federal, State & Local Grant Assistance	\$ 4,100,989
Other Grants	54,567
Medicaid	339,774
Grant Administration Fees	254,455
Other Receipts	
Other Receipts	34,976
United Way	43,808
Private Pay/Cost Share	20,424
Project Income/Donations	113,438
Fundraising Events	4,441
Transferred/Subgranted Receipts	<u>521,018</u>
Subtotal Receipts	5,487,890
Donated Labor/Mileage/Other	<u>15,115</u>
Total Receipts	<u>5,503,005</u>
Disbursements:	
Direct Salary & Fringe Costs	
Salaries	1,366,489
Fringe Benefits	766,280
Other Operating Costs	1,967,634
Other Services	<u>1,241,748</u>
Subtotal Disbursements	5,342,151
Donated Labor/Mileage/Other	15,115
Total Disbursements	<u>5,357,266</u>
Excess Receipts over/under Disbursements	145,739
Net Position, beginning of year	<u>458,928</u>
Net Position, end of year	<u>\$ 604,667</u>

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

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS

Note 1. Organization and Summary of Significant Accounting Policies

Organization

The West Central Indiana Economic Development District, Inc. ("WCIEDD") is a regional planning agency, economic development district and an area agency on aging serving the Indiana counties of Vigo, Parke, Putnam, Sullivan, Vermillion, and Clay. The principal programs which it administers include special programs for the aged and disabled, nutrition services, social service programs, transportation planning, and economic development programs. WCIEDD funding comes primarily from the Indiana Family and Social Services Administration and the Indiana Department of Transportation, both in the form of performance based grants and cost reimbursement based grants.

Basis of Accounting

The accompanying financial statements have been prepared using the cash basis of accounting whereby receipts are recognized when received and disbursements are recorded when paid. This is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statements have been prepared in accordance with the Financial Accounting Standards Board (FASB) No. 117, Financial Statements of Not-for-Profit Organizations. FASB No. 117 requires, among other things, that the financial statements report the changes in, and totals of each net position class based on the existence of donor restrictions, as applicable. Net positions are to be classified as unrestricted, temporarily restricted and permanently restricted.

The following classes of net positions are maintained, if applicable, as follows:

Unrestricted Net Positions – The unrestricted net position class includes general and board designated assets and liabilities of WCIEDD. The unrestricted net position of WCIEDD may be used at the discretion of management to support WCIEDD's purposes and operations.

Temporarily Restricted Net Position – The temporarily restricted net position class includes assets of WCIEDD related to gifts with explicit donor-imposed restrictions that have not been met as to specified purpose, or to later periods of time or after specified dates. At December 31, 2012, WCIEDD does not have any temporarily restricted net positions.

Permanently Restricted Net Positions – The permanently restricted net position class includes assets of WCIEDD for which the donor has stipulated that the contribution be maintained in perpetuity. Donor-imposed restrictions limiting the use of the assets or their economic benefit neither expire with the passage of time nor can be removed by satisfying a specific purpose. At December 31, 2012, WCIEDD does not have any permanently restricted net positions.

Cash and Cash Equivalents - WCIEDD considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

In-Kind Contributions – Contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated services of \$15,115 are recorded as in-kind receipts for the year-ended December 31, 2012.

The amounts recorded in the disbursements were classified as the following:

Travel/Transportation \$2,063
Other Costs \$13,052

In addition, a substantial number of volunteers have donated significant amounts of their time in relation to WCIEDD's program services. However, these services did not meet the GAAP criteria for reporting in the accompanying financial statements.

Income Taxes - WCIEDD is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, WCIEDD has been determined by the Internal Revenue Service not to be a private foundation under Section 509(a) of the Code. Therefore, no Federal or State income tax provisions or liability is included in these financial statements.

Government Grants – Grant receipts are recognized as received, based on claims filed for grant disbursements. Grant disbursements are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Note 2. Government Grant Activities

WCIEDD receives a majority of its funding from a third party, the Indiana Family and Social Services Administration (FSSA), by submitting claims to the third party of approval and payment. WCIEDD depends significantly on this third party for funding to carry out its program activities.

The grant amounts are appropriated each year by federal and state agencies. If significant budget cuts are made at the federal and/or state level, the amount of funds that WCIEDD receives could be reduced significantly and have an adverse impact on its operations.

WCIEDD uses certain grant funds received to issue its own contracts to subgrantees and service providers. Although the disbursements made and units of service performed by these subgrantees and service providers are certified as bona fide, documentation of the purpose of such disbursements and units of service performed are subject to audit and review by funding sources. WCIEDD would become liable for the funds required to be returned to the federal agency issuing the contract if a subgrantee or service provider would be unable to adequately document disbursements, substantiate its local costs sharing requirement, document the units of services performed, if they are unable to refund any unearned federal funds.

Note 3. Operating Lease

WCIEDD leases administrative office space in Terre Haute, Indiana. The lease runs through February of 2014. Rental fees of \$38,400 related to this lease are included in the Statement of Activity - Cash Basis for the year ended December 31, 2012.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
NOTES TO FINANCIAL STATEMENTS
(Continued)

As of December 31, 2012, minimum annual rental payments required under operating leases are as follows at December 31:

Year	Amount
2013	\$ 38,400
2014	38,400
Total	\$ 76,800

LEASES

	Date Lease Signed	# of Months	Payment	Billing Frequency	5 Year Total
Office space leased:					
1718 Wabash Ave., T.H.	01-30-09	60	\$ 3,200.00	Monthly	\$ 192,000.00
486 1st AVE., T.H.	02-06-13	12	940.00	Monthly	11,280.00
Equipment leased:					
IKON COPIER/MP171SPF	03-29-10	48	50.00	Monthly	2,400.00
IKON COPIER/MPC7501	10-14-11	60	1,108.50	Monthly	66,510.00
NEOPOST MAILING MACHINE	01-25-12	63	208.00	Quarterly	13,104.00
IKON COPIER/MPC2051	02-22-12	60	68.00	Monthly	4,080.00

Note 4. Retirement Plan

On June 1, 2004, WCIEDD started a 401(k) plan for eligible employees. Employee contributions are permitted, and WCIEDD annually contributes a discretionary percentage of each eligible employee's salary. In order to be eligible, an employee must have completed one year of employment and work more than 1,000 hours per year.

Expenses of \$115,980 for the plan year ending December 31, 2011, were paid in January of 2012.

Expenses of \$123,916 for the plan year ending December 31, 2012, were paid in January of 2013.

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF ACTIVITIES - CASH BASIS
 For The Year Ended December 31, 2012

	General Unrestricted	Medicaid Waiver	McMillan	C.H.O.I.C.E Totals	Older Hoosiers	Enhanced ADRC
Receipts:						
Intergovernmental	\$ 31,021	\$ 248,765	\$ -	\$ 1,189,807	\$ 76,958	\$ 20,351
Transferred Subgranted Federal	-	-	-	-	-	-
Transferred Subgranted State	-	-	-	74,041	-	-
Transferred Other/Local	(34,357)	-	-	-	-	-
Other	25,957	-	3,418	1,811	-	-
	<u>22,621</u>	<u>248,765</u>	<u>3,418</u>	<u>1,265,659</u>	<u>76,958</u>	<u>20,351</u>
Total receipts						
Disbursements:						
Direct Salary & Fringe Costs:						
Direct Salaries & Wages	-	96,307	-	222,929	-	17,093
Fringe Benefits	-	56,980	-	139,362	-	9,531
Other Operating Costs:						
Audit Costs & Related Svcs	-	670	-	1,891	-	-
Catered Meals	-	36,790	-	24,012	-	-
Communication Costs	-	37	-	61	-	-
Conference	-	-	-	120	-	-
Consulting	-	-	-	-	-	-
Consumables	-	-	-	-	-	-
Contractual	-	30	-	49	-	-
Equipment	-	124	-	437	-	-
Fuel	-	-	-	-	-	-
Fundraising/Special Events	20,216	-	-	-	-	-
Indirect Cost	-	22,046	-	57,881	-	-
Insurance	-	-	-	-	-	-
Janitorial	-	714	-	1,259	-	-
Maintenance/Repairs	-	-	-	-	-	-
Marketing	-	-	-	986	-	-
Miscellaneous	13,193	697	-	9,315	-	107
Office Supplies	-	3,873	-	2,180	-	-
Per Diem	-	-	-	-	-	-
Pest Control	-	9,863	-	-	-	-
Printing & Publications	-	-	-	741	-	-
Rental Costs of Bldg & Equip.	-	668	-	6,443	-	-
Training	-	-	-	-	-	-
Travel	47	6,065	-	7,143	-	762
Private Hire Attendant Program	-	-	-	89,083	-	-
Other Services:						
Transferred Other/Local	(74,851)	86,373	-	(11,238)	-	-
Transferred Subgranted Federal & State	-	-	-	74,041	70,298	-
Sub-contracted Services	-	-	-	549,246	-	-
	<u>(41,395)</u>	<u>321,238</u>	<u>-</u>	<u>1,175,940</u>	<u>70,298</u>	<u>27,495</u>
Total disbursements						
Excess (deficiency) of receipts over disbursements	<u>64,016</u>	<u>(72,473)</u>	<u>3,418</u>	<u>89,719</u>	<u>6,661</u>	<u>(7,143)</u>
Cash basis net position - beginning	<u>1,022,057</u>	<u>77,276</u>	<u>24,507</u>	<u>(217,976)</u>	<u>(18,056)</u>	<u>-</u>
Cash basis net position - ending	<u>\$ 1,086,072</u>	<u>\$ 4,803</u>	<u>\$ 27,925</u>	<u>\$ (128,257)</u>	<u>\$ (11,395)</u>	<u>\$ (7,143)</u>

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF ACTIVITIES - CASH BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Title III Totals	SSBG Totals	NSIP	PASRR	Special Care Transition	RCAP Transition
Receipts:						
Intergovernmental	\$ 1,295,370	\$ 304,342	\$ 63,792	\$ 164,332	\$ 2,343	\$ 10,759
Transferred Subgranted Federal	236,422	130,492	-	-	-	-
Transferred Subgranted State	70,298	-	-	-	-	-
Transferred Other/Local	33,087	4,596	-	-	-	-
Other	107,029	60,953	-	-	-	108
Total receipts	1,742,206	500,383	63,792	164,332	2,343	10,867
Disbursements:						
Direct Salary & Fringe Costs:						
Direct Salaries & Wages	401,603	151,019	-	90,641	2,157	-
Fringe Benefits	174,979	92,250	-	50,733	935	-
Other Operating Costs:						
Audit Costs & Related Svcs	3,618	1,067	-	810	-	-
Catered Meals	370,279	26,339	29,947	-	-	-
Communication Costs	563	779	-	-	-	-
Conference	129	60	-	-	-	-
Consulting	-	-	-	-	-	-
Consumables	1,435	2,113	-	-	-	-
Contractual	953	607	-	-	-	-
Equipment	2,113	5,767	-	-	-	-
Fuel	35,645	8,305	-	-	-	-
Fundraising/Special Events	-	1,532	-	-	-	-
Indirect Cost	108,723	33,989	-	26,297	-	-
Insurance	4,177	1,048	-	-	-	-
Janitorial	1,139	3,871	-	-	-	-
Maintenance/Repairs	11,442	2,362	-	-	-	-
Marketing	3,146	173	-	-	-	-
Miscellaneous	10,848	2,900	-	936	-	-
Office Supplies	756	765	-	-	-	-
Per Diem	49	-	-	83	-	-
Pest Control	-	-	-	-	-	-
Printing & Publications	19,241	130	-	-	-	-
Rental Costs of Bldg & Equip.	23,641	13,305	-	-	-	-
Training	136	39	-	-	-	-
Travel	50,055	5,550	-	3,560	-	-
Private Hire Attendant Program	-	-	-	-	-	-
Other Services:						
Transferred Other/Local	-	-	-	-	-	-
Transferred Subgranted Federal & State	236,422	130,492	-	-	-	-
Sub-contracted Services	160,009	11,476	-	-	-	-
Total disbursements	1,621,100	495,937	29,947	173,060	3,092	-
Excess (deficiency) of receipts over disbursements	121,105	4,446	33,845	(8,728)	(749)	10,867
Cash basis net position - beginning	(283,130)	(39,089)	(46,996)	(13,279)	-	(10,853)
Cash basis net position - ending	<u>\$ (162,025)</u>	<u>\$ (34,643)</u>	<u>\$ (13,151)</u>	<u>\$ (22,007)</u>	<u>\$ (749)</u>	<u>\$ 14</u>

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF ACTIVITIES - CASH BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Drug Grant	CDSMP	SHIP Medicare Part D	INDOT Rural Transit	ARRA Rural Transit	Veteran's
Receipts:						
Intergovernmental	\$ 1,700	\$ 12,709	\$ 27,573	\$ 201,459	\$ -	\$ 54,567
Transferred Subgranted Federal	-	-	-	-	-	-
Transferred Subgranted State	-	-	-	-	-	-
Transferred Other/Local	-	-	-	11,570	-	(6,706)
Other	-	-	-	17,612	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	1,700	12,709	27,573	230,641	-	47,861
Disbursements:						
Direct Salary & Fringe Costs:						
Direct Salaries & Wages	723	1,606	9,585	70,903	-	(187)
Fringe Benefits	310	3,157	6,601	57,123	-	1,260
Other Operating Costs:						
Audit Costs & Related Svcs	7	-	-	838	-	427
Catered Meals	-	-	-	-	-	2,829
Communication Costs	-	-	609	520	-	181
Conference	-	-	-	-	-	-
Consulting	-	-	-	-	-	-
Consumables	496	-	-	-	-	2,534
Contractual	-	-	-	-	-	65
Equipment	-	-	-	-	83,910	-
Fuel	-	-	-	50,258	-	-
Fundraising/Special Events	-	-	-	-	-	-
Indirect Cost	165	-	1,965	22,434	-	8,913
Insurance	-	-	-	7,102	-	-
Janitorial	-	-	-	-	-	(296)
Maintenance/Repairs	-	-	-	14,498	-	-
Marketing	-	-	1,629	57	-	-
Miscellaneous	-	-	153	1,761	-	(559)
Office Supplies	-	-	-	70	-	3
Per Diem	-	-	-	-	-	-
Pest Control	-	-	-	-	-	-
Printing & Publications	-	-	-	634	-	129
Rental Costs of Bldg & Equip.	-	-	-	-	-	(1,990)
Training	-	-	-	207	-	-
Travel	-	-	378	77	-	43
Private Hire Attendant Program	-	-	-	-	-	-
Other Services:						
Transferred Other/Local	-	-	-	-	-	9,307
Transferred Subgranted Federal & State	-	-	-	-	-	-
Sub-contracted Services	-	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	1,700	4,763	20,919	226,482	83,910	22,657
Excess (deficiency) of receipts over disbursements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	7,946	6,654	4,158	(83,910)	25,204
Cash basis net position - beginning	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	(7,946)	(6,952)	(37,090)	-	(1,545)
Cash basis net position - ending	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ -	\$ -	\$ (298)	\$ (32,932)	\$ (83,910)	\$ 23,659

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF ACTIVITIES - CASH BASIS
 For The Year Ended December 31, 2012
 (Continued)

	INDOT Planning	INDOT Rural Planning	EDA	EPA Brownfield	CDBG Grant Admin. Projects	FEMA Grant Admin. Projects
Receipts:						
Intergovernmental	\$ 285,989	\$ -	\$ 97,853	\$ 388,639	\$ 89,474	\$ -
Transferred Subgranted Federal	-	-	-	-	-	-
Transferred Subgranted State	-	-	-	-	-	-
Transferred Other/Local	(49,851)	(4,957)	52,617	-	-	-
Other	-	-	-	-	-	-
Total receipts	236,138	(4,957)	150,469	388,639	89,474	-
Disbursements:						
Direct Salary & Fringe Costs:						
Direct Salaries & Wages	162,668	3,957	57,293	4,043	14,656	10,979
Fringe Benefits	91,957	1,358	34,240	2,544	9,166	5,007
Other Operating Costs:						
Audit Costs & Related Svcs	1,177	34	981	33	-	-
Catered Meals	-	-	-	-	-	-
Communication Costs	-	-	-	-	-	-
Conference	1,741	-	265	-	-	-
Consulting	119,673	-	-	383,218	-	-
Consumables	-	-	-	-	-	-
Contractual	-	-	-	-	-	-
Equipment	19,950	-	456	-	-	-
Fuel	584	526	-	-	-	-
Fundraising/Special Events	-	-	-	-	-	-
Indirect Cost	39,262	796	32,335	823	-	-
Insurance	1,014	-	-	-	-	-
Janitorial	-	-	-	-	-	-
Maintenance/Repairs	84	-	-	-	-	-
Marketing	-	-	-	-	-	-
Miscellaneous	2,384	185	1,549	-	158	-
Office Supplies	635	-	287	-	25	-
Per Diem	204	-	163	-	-	-
Pest Control	-	-	-	-	-	-
Printing & Publications	207	-	-	-	-	-
Rental Costs of Bldg & Equip.	-	-	-	-	-	-
Training	-	-	-	-	-	-
Travel	1,244	-	8,057	767	2,481	149
Private Hire Attendant Program	-	-	-	-	-	-
Other Services:						
Transferred Other/Local	-	-	-	-	-	-
Transferred Subgranted Federal & State	-	-	-	-	-	-
Sub-contracted Services	-	-	-	-	-	-
Total disbursements	442,784	6,856	135,627	391,428	26,486	16,134
Excess (deficiency) of receipts over disbursements	(206,647)	(11,813)	14,842	(2,789)	62,988	(16,134)
Cash basis net position - beginning	(46,618)	(6,420)	(35,713)	1,059	54,943	(934)
Cash basis net position - ending	\$ (253,264)	\$ (18,233)	\$ (20,871)	\$ (1,730)	\$ 117,931	\$ (17,068)

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
 COMBINING SCHEDULE OF ACTIVITIES - CASH BASIS
 For The Year Ended December 31, 2012
 (Continued)

	CEAP	County Redevelop. Commissions	Local Grant Admin. Projects	Payroll Agency Fund	Nutrition Project Income Acct.	Totals
Receipts:						
Intergovernmental	\$ -	\$ 17,000	\$ 164,981	\$ -	\$ -	\$ 4,749,785
Transferred Subgranted Federal	-	-	-	-	-	366,914
Transferred Subgranted State	-	-	-	-	-	144,339
Transferred Other/Local	2,962	-	805	-	-	9,765
Other	-	-	-	-	200	217,087
	<u>2,962</u>	<u>17,000</u>	<u>165,786</u>	<u>-</u>	<u>200</u>	<u>5,487,890</u>
Total receipts	2,962	17,000	165,786	-	200	5,487,890
Disbursements:						
Direct Salary & Fringe Costs:						
Direct Salaries & Wages	350	10,548	37,615	-	-	1,366,489
Fringe Benefits	269	6,129	22,388	-	-	766,280
Other Operating Costs:						
Audit Costs & Related Svcs	-	-	-	-	-	11,553
Catered Meals	-	-	-	-	-	490,195
Communication Costs	-	-	-	-	-	2,748
Conference	-	-	-	-	-	2,315
Consulting	-	-	-	-	-	502,891
Consumables	-	-	-	-	-	6,578
Contractual	-	-	-	-	-	1,704
Equipment	-	-	-	-	-	112,758
Fuel	-	-	-	-	-	95,319
Fundraising/Special Events	-	-	-	-	-	21,748
Indirect Cost	-	-	-	-	-	355,626
Insurance	-	-	-	-	-	13,341
Janitorial	-	-	-	-	-	6,686
Maintenance/Repairs	-	-	-	-	-	28,386
Marketing	-	-	-	-	-	5,992
Miscellaneous	-	-	1,164	-	145	44,935
Office Supplies	-	-	105	-	-	8,699
Per Diem	-	-	-	-	-	499
Pest Control	-	-	-	-	-	9,863
Printing & Publications	-	-	-	-	-	21,082
Rental Costs of Bldg & Equip.	-	-	-	-	-	42,067
Training	-	-	-	-	-	382
Travel	-	2,051	4,754	-	-	93,184
Private Hire Attendant Program	-	-	-	-	-	89,083
Other Services:						
Transferred Other/Local	-	-	174	-	-	9,765
Transferred Subgranted Federal & State	-	-	-	-	-	511,252
Sub-contracted Services	-	-	-	-	-	720,730
	<u>619</u>	<u>18,728</u>	<u>66,199</u>	<u>-</u>	<u>145</u>	<u>5,342,151</u>
Total disbursements	619	18,728	66,199	-	145	5,342,151
Excess (deficiency) of receipts over disbursements	2,343	(1,728)	99,586	-	55	145,739
Cash basis net position - beginning	(2,343)	5,145	40,880	8,000	-	458,928
Cash basis net position - ending	\$ -	\$ 3,417	\$ 140,466	\$ 8,000	\$ 55	\$ 604,667

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS OVER FEDERAL REPORTING

The West Central Indiana Economic Development District, INC. (District) did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA). The District should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors: amounts disbursed were reported for reimbursement grants instead of amounts received and an Affordable Care Act grant of \$27,573 was not reported on the SEFA. Audit adjustments were proposed, accepted by the District, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statements.

Governmental units 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 necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 10)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditure of Federal awards in accordance with section .310."

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
AUDIT RESULT AND COMMENT
(Continued)

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE WEST CENTRAL INDIANA ECONOMIC
DEVELOPMENT DISTRICT, INC. VIGO COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the West Central Indiana Economic Development District, INC.'s (District) compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 District'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied in all material respects with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of *OMB Circular A-133*. Accordingly, this report is not suitable for any other purpose. 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.



Bruce Hartman
State Examiner

July 29, 2013

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2012

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>		
Direct Grant		
Economic Development - Support for Planning Organizations	11.302	\$ 61,628
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>		
Pass-Through Indiana Department of Transportation		
Highway Planning and Construction Cluster		
Highway Planning and Construction	20.205	206,159
Formula Grants for Rural Areas	20.509	
Rural Transit		127,495
Total for federal grantor agency		333,654
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>		
Direct Grant		
ARRA - Brownfields Assessment and Cleanup Cooperative Agreements	66.818	
BF-00E94401-0		99,017
BF-00E94801-0		289,623
Total for federal grantor agency		388,640
<u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>		
Pass-Through Indiana Family and Social Services Administration		
Aging Cluster		
Special Programs for the Aging - Title III		
Part B - Grants for Supportive Services and Senior Centers	93.044	340,285
Special Programs for the Aging - Title III, Part C - Nutrition Services	93.045	680,455
Nutrition Services Incentive Program	93.053	63,792
Total for cluster		1,084,532
Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care		
Ombudsman Services for Older Individuals	93.042	7,677
Special Programs for the Aging - Title III, Part D - Disease		
Prevention and Health Promotion Services	93.043	16,542
ARRA - Special Programs for the Aging - Title IV and Title II - Discretionary Projects		
Special Care Transition	93.048	2,343
National Family Caregiver Support, Title III, Part E	93.052	239,784
Affordable Care Act - Medicare Improvements for Patients and Providers	93.518	27,573
Social Services Block Grant	93.667	280,840
ARRA - Communities Putting Prevention to Work:		
Chronic Disease Self-Management Program	93.725	12,709
Medicaid Cluster		
Medical Assistance Program	93.778	164,332
Total for federal grantor agency		1,836,332
Total federal awards expended		\$ 2,620,254

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

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
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 West Central Indiana Economic Development District, Inc. (District) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

II. Subrecipients

Of the federal expenditures presented in the schedule, District provided federal awards to subrecipients as follows for the year ended December 31, 2012:

<u>Subrecipients</u>	<u>2012</u>
Legal Services Organization	\$ 9,459
Putnam County Transportation	12,500
Ride Solutions	7,939
Nurse Care, Inc.	28,289
Indiana Home Care Plus	2,193
Meadows Home Health Care	4,095
Clay Transportation	8,975
Visiting Angels	6,166
Help at Home	5,602
Comfort Keepers	983
Critical Signal Technology	308

WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.818	Aging Cluster ARRA - Brownfields Assessment and Cleanup Cooperative Agreements

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

FINDING 2012-1 - INTERNAL CONTROLS OVER FEDERAL REPORTING

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WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Governmental units 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 necessary for proper internal control.

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OMB Circular A-133, Subpart C, section .310(b) states:

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Section III – Federal Award Findings and Questioned Costs

No matters are reportable.



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WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.

- Programs on Aging & Disabled
- Economic Development
- Transportation Planning

July 29, 2013

Bruce Hartman, State Examiner
Indiana State Board of Accounts
302 W. Washington St., Room E418
Indianapolis, IN 46204-2769

RE: 2012-1 Audit Finding

Dear Mr. Hartman,

In response to Finding 2012-1 - Internal Control over Federal Reporting in Section II, my staff and I have reviewed the report and we have taken the following steps to avoid reoccurrence of this problem.

1. The agency's bookkeeper is responsible for annually preparing the Schedule of Federal Awards (SEFA) in accordance with OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.
2. Upon completion of the SEFA, the bookkeeper will verify that the SEFA totals correspond with the trial balance of grant expenditures recorded in the financial statements. If the amounts don't match, the bookkeeper will make the necessary corrections to reconcile them.
3. Once the bookkeeper has reconciled the SEFA, the SEFA and supporting financial statements will be forwarded to the Executive Director for a secondary review. The secondary review will include a check of the schedule's nonfinancial information, such as CFDA numbers, to determine if it is complete and accurate. The Executive Director formally sign-off the SEFA to confirm that he or she has reviewed the SEFA and it appears proper. The Executive Director will also check for clusters by using the most current version of the federal government's compliance matrix to check nonfinancial data. The matrix, which is updated annually, is available at <http://www.cfda.gov>.
4. For reimbursement grants, the reimbursed federal expenditures and grant revenues should always match. If they don't match, one of the two is incorrect.

I am confident these new procedures will prevent reoccurrence of this identified finding.

Sincerely,

Ronald M. Hinsenkamp
Executive Director

Cc: President, WCIEDD Board of Directors

1718 Wabash Ave., Terre Haute, IN 47807
(812) 238-1561 or (800) 489-1561 Fax: (812) 238-1564
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WEST CENTRAL INDIANA ECONOMIC DEVELOPMENT DISTRICT, INC.
EXIT CONFERENCE

The contents of this report were discussed on July 29, 2013, with Ron Hinsenkamp, Executive Director, and Dana Jill M. McLain, Bookkeeper. The officials concurred with our audit finding.