



STATE OF INDIANA
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March 23, 2015

Board of Directors
Historic Hoosier Hills, RC&D, Inc.
1981 S. Industrial Park Drive, Suite 1
P.O. Box 407
Versailles, IN 47042

We have reviewed the audit report prepared by Lawson Financial Services, LLC, for the period January 1, 2011 to December 31, 2012. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of Historic Hoosier Hills, RC&D, Inc., as of December 31, 2012, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

HISTORIC HOOSIER HILLS, RC&D. INC.

AUDITED FINANCIAL STATEMENTS

FOR PERIOD ENDED

DECEMBER 31, 2012

AND

DECEMBER 31, 2011

JOHN B. LAWSON

LAWSON FINANCIAL SERVICES, LLC

CERTIFIED PUBLIC ACCOUNTANT

HISTORIC HOOSIER HILLS, RC&D. INC.

December 31, 2012 and 2011

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JOHN B. LAWSON

LAWSON FINANCIAL SERVICES, LLC

CERTIFIED PUBLIC ACCOUNTANT

Lawson Financial Services LLC
Certified Public Accountants

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Ohio Society of CPA's
Indiana CPA Society

November 18, 2013

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Historic Hoosier Hills RC&D, Inc.
Versailles, Indiana

We have audited the accompanying Statements of Cash Receipts and Disbursements of Historic Hoosier Hills RC&D, Inc. (a nonprofit corporation) for the years ended December 31 2012 and December 31, 2011. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with general accepted audit standards in the United States. Those standards require that we plan and perform the audits 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provide a reasonable basis of our opinion.

As described in Note 1, these financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of Historic Hoosier hills RC&D, Inc. for the years ended December 2012 and 2011, on the basis of accounting described in Note 1.



John B. Lawson
Lawson Financial Services, LLC
Certified Public Accountant

HISTORIC HOOSIER HILLS RC&D, INC.

Statement of Cash Receipts and Disbursements
For the Years Ended December 31,

	<u>2012</u>	<u>2011</u>
Cash Receipts		
Grant Income	\$448,010	\$491,019
Contributions	\$50,777	\$119,575
Program Income	\$17,648	\$8,259
Dues/Meeting Fees	\$7,180	\$12,788
Leadership Program	\$8,666	\$9,368
Interest Income	<u>\$1,864</u>	<u>\$4,639</u>
Total Cash Receipts	\$534,145	\$645,648
Cash Disbursements		
Program costs	\$572,065	\$656,767
Administrative	<u>\$28,506</u>	<u>\$34,472</u>
Total Cash Disbursements	<u>\$600,571</u>	<u>\$691,239</u>
Increase (Decrease) in Cash	(\$66,426)	(\$45,591)
Cash Balance, Beginning of Year	<u>\$238,915</u>	<u>\$284,506</u>
Cash Balance, End of Year	<u>\$172,489</u>	<u>\$238,915</u>

See Notes to Financial Statements.

HISTORIC HOOSIER HILLS, RC&D. INC.

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Historic Hoosier hills, RC&D, Inc. was organized in 1968 and incorporated in the State of Indiana on February 24, 1975, for the purpose of serving as a catalyst to empower local people to solve economic and natural resource problems of the area, and to properly develop, utilize and conserve natural and human resources. The organization serves Clark, Dearborn, Franklin, Jefferson, Jennings, Ohio, Ripley, Scott and Switzerland counties in Indiana. These activities are funded through various grants and donations.

Basis of Accounting

The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, which is the accrual basis. Under the cash basis, the only asset recognized for the organization is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and non-cash transaction are not recognized.

Income Taxes

The Corporation is a nonprofit organization pursuant to Section 501(c) (3) of the Internal Revenue Code (Code) and therefore is tax-exempt under section 501(a) of the Code. The Corporation is also exempt from Indiana Gross Receipts Tax.

HISTORIC HOOSIER HILLS RC&D, INC.

Notes to Financial Statements
December 31, 2011 and 2012

Note 2. FEDERAL, STATE AND LOCAL FINANCIAL ASSISTANCE

During 2012 and 2011, Historic Hoosier Hills RC&D, Inc. received grants and/or contributions from federal, state and local governments. These amounts consisted of :

	<u>2012</u>	<u>2011</u>
Indiana Department of Environmental Management-pass-throughj funds from Federal Clean Water Act Section 319(h)	\$398,438	\$319,508
City of Madison	\$500	\$560
City of Lawrenceburg	\$500	\$0
City of Rising Sun	\$0	\$15,250
Ohio County	\$25	\$15,250
Jefferson County SWCD	\$1,002	\$500
Ripley County SWCD	\$12,148	\$3,220
Switzerland SWCD	\$6,117	\$33,698
Dearborn SWCD	\$740	\$500
Pike County SWCD	\$360	\$0
Clark County SWCD	\$1,426	\$250
Union County SWCD	\$1,210	\$0
Wabash County SWCD	\$375	\$0
Jennings County SWCD	\$1,000	\$250
Harrison County	\$0	\$11,257
Others	<u>\$9,728</u>	<u>\$1,787</u>
Total	\$433,569	\$402,030

HISTORIC HOOSIER HILLS, RC&D, INC.

Notes to Financial Statements

December 31, 2012 and 2011

NOTE 4. ECONOMIC DEPENDENCY

The Corporation receives a significant portion of its support through pass-thru grants provided by the Indiana Environmental Management. The discontinuation of these grants would substantially impact the activities of the Corporation.

NOTE 5. DATE OF MANAGEMENT REVIEW

A review of the financial statements was performed for subsequent events through October 31, 2013. Management has evaluated the events through October 31, 2013.

NOTE 6. ADJUSTMENT OF PRIOR AUDIT REPORT ENDING CASH BALANCE

The ending balance from the previous audit report was adjusted from \$304,957 to \$284,506. The adjustment, \$20,451, was due to these funds were not owned by HHH, RC&D, Inc. These funds were owned and disbursed by associate organizations that worked with HHH on several programs. These funds were controlled and disbursed by these organizations and were not in HHH cash receipt or disbursement.