

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

FINANCIAL STATEMENTS REVIEW REPORT
OF
ADMINISTRATIVE RESOURCES ASSOCIATION
BARTHOLOMEW COUNTY, INDIANA
January 1, 2010 to December 31, 2015



FILED
05/05/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Eric A. Frey, II	01-01-10 to 12-31-17
Treasurer	Mayor Shawna Girgis	01-01-10 to 12-31-10
	Mayor Gary Herbert	01-01-11 to 12-31-11
	Mayor Craig Luedeman	01-01-12 to 12-31-12
	Mayor Michael Pavey	01-01-13 to 12-31-13
	Mayor Rick Fledderman	01-01-14 to 12-31-14
	Mayor Harold Campbell	01-01-15 to 12-31-15
	Mayor Craig Luedeman	01-01-16 to 12-31-16
	Mayor Michael Bettice	01-01-17 to 12-31-17
President of the Board	Mayor Rick Fledderman	01-01-10 to 12-31-10
	Mayor Harold Campbell	01-01-11 to 12-31-11
	Mayor Shawna Girgis	01-01-12 to 12-31-12
	Mayor Gary Herbert	01-01-13 to 12-31-13
	Mayor Craig Luedeman	01-01-14 to 12-31-14
	Mayor Michael Pavey	01-01-15 to 12-31-16
	Mayor Craig Luedeman	01-01-17 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

TO: THE OFFICIALS OF THE ADMINISTRATIVE RESOURCES
ASSOCIATION, BARTHOLOMEW COUNTY, INDIANA

We have reviewed the accompanying financial statements of the Administrative Resources Association (Association), for the period of January 1, 2010 to December 31, 2015. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Association's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with a regulatory basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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. This includes determining that the basis of accounting the Association uses 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 financial statements that are free from material misstatements whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the prescribed basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.


INDEPENDENT ACCOUNTANT'S REVIEW REPORT
(Continued)

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the prescribed basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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. Our conclusion is not modified with respect to this matter.


Paul D. Joyce, CPA
State Examiner

March 8, 2017

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

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ADMINISTRATIVE RESOURCES ASSOCIATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2010 and 2011

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10	Receipts	Disbursements	Cash and Investments 12-31-11
General Operating	\$ 343,469	\$ 735,313	\$ 683,213	\$ 395,569	\$ 917,949	\$ 653,275	\$ 660,243
Payroll Withholdings	(42,745)	100,254	57,509	-	88,675	89,164	(489)
Other Map Relp Rbeg Recapture	28,410	55,468	31,090	52,788	91,594	68,878	75,504
Other Mlp Non Reverting Fund	11,334	20,142	661	30,815	14,061	6,484	38,392
Other Reserve Fund	623,043	636	442,401	181,278	-	-	181,278
Other Vehicle Non Reverting Fund	32,605	-	-	32,605	15,000	-	47,605
Totals	<u>\$ 996,116</u>	<u>\$ 911,813</u>	<u>\$ 1,214,874</u>	<u>\$ 693,055</u>	<u>\$ 1,127,279</u>	<u>\$ 817,801</u>	<u>\$ 1,002,533</u>

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

ADMINISTRATIVE RESOURCES ASSOCIATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
General Operating	\$ 660,243	\$ 549,457	\$ 659,051	\$ 550,649	\$ 616,462	\$ 648,076	\$ 519,035
Payroll Withholdings	(489)	91,288	90,840	(41)	99,997	98,403	1,553
Other Map Relp Rbeg Recapture	75,504	66,191	51,243	90,452	128,212	73,463	145,201
Other Mlp Non Reverting Fund	38,392	17,359	-	55,751	17,816	-	73,567
Other Reserve Fund	181,278	-	-	181,278	-	-	181,278
Other Vehicle Non Reverting Fund	47,605	-	19,702	27,903	-	-	27,903
Totals	<u>\$ 1,002,533</u>	<u>\$ 724,295</u>	<u>\$ 820,836</u>	<u>\$ 905,992</u>	<u>\$ 862,487</u>	<u>\$ 819,942</u>	<u>\$ 948,537</u>

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

ADMINISTRATIVE RESOURCES ASSOCIATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
General Operating	\$ 519,035	\$ 550,586	\$ 641,508	\$ 428,113	\$ 600,687	\$ 612,817	\$ 415,983
Payroll Withholdings	1,553	104,408	94,516	11,445	106,790	96,814	21,421
Health Reimbursement Account	-	5,000	279	4,721	12,000	13,085	3,636
Other Map Relp Rbeg Recapture	145,201	102,849	145,462	102,588	83,779	79,814	106,553
Other Mlp Non Reverting Fund	73,567	9,714	-	83,281	4,711	-	87,992
Other Reserve Fund	181,278	-	-	181,278	-	-	181,278
Other Vehicle Non Reverting Fund	27,903	21	507	27,417	-	-	27,417
Totals	<u>\$ 948,537</u>	<u>\$ 772,578</u>	<u>\$ 882,272</u>	<u>\$ 838,843</u>	<u>\$ 807,967</u>	<u>\$ 802,530</u>	<u>\$ 844,280</u>

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

ADMINISTRATIVE RESOURCES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Association was established under the laws of the State of Indiana, by an interlocal agreement (dated November 28, 1973) of area cities. The Association operates under an appointed governing board.

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

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the Indiana 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 basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 include the following sources:

Charges for services. Amounts received for services including, but not limited to, the following: membership fees and grant administration fees.

Other receipts. Amounts received from various sources, including, but 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 include the following uses:

Personal services. Amounts disbursed 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.

ADMINISTRATIVE RESOURCES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Supplies. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements. Amounts disbursed for various other purposes including, but 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. *Interfund Transfers*

The Association may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. *Fund Accounting*

Separate funds are established, maintained, and reported by the Association. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Association. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Association in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

Note 2. *Budgets*

The Fiscal Officer of the Association submits a proposed operating budget to the governing board for the following calendar year. Prior to November 1, the governing board approves the budget for the next year.

Note 3. *Property Taxes*

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Association in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were

ADMINISTRATIVE RESOURCES ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. *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 Association to invest in securities including, but not limited to, the following: 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 5. *Risk Management*

The Association 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 Association 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.

ADMINISTRATIVE RESOURCES ASSOCIATION
EXIT CONFERENCE

The contents of this report were discussed on March 8, 2017, with Eric A. Frey, II, Executive Director, and Angela Newman, Office Manager/Bookkeeper.