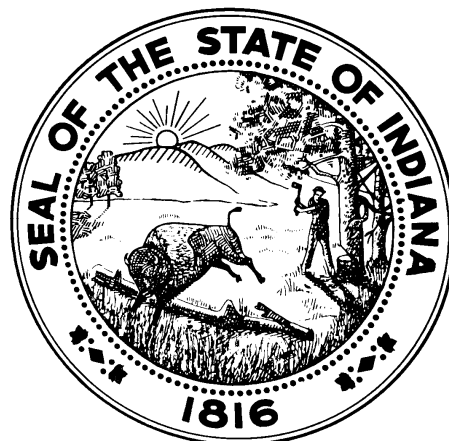


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
DISCIPLINARY COMMISSION OF  
THE SUPREME COURT OF INDIANA

July 1, 2006 to June 30, 2008



**FILED**  
02/25/2009



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information: Schedule of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5-6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Secretary	Donald Lundberg	07-01-06 to 06-30-09
Chairperson of the Commission	Robert Lewis J. Mark Robinson Anthony Zappia Sally Zweig	07-08-05 to 07-13-06 07-14-06 to 07-12-07 07-13-07 to 07-10-08 07-11-08 to 06-30-09
Chief Justice of the Supreme Court	Hon. Randall T. Shepard	03-05-02 to 03-04-12



**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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA

We have examined the financial information presented herein of the Disciplinary Commission of the Supreme Court of Indiana (Commission), for the period of July 1, 2006 to June 30, 2008. The Commission's management is responsible for the financial information presented herein. Our responsibility is to express an opinion 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 information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Commission for the years ended June 30, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

December 23, 2008

DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
As Of And For The Years Ended June 30, 2007 And 2008

	2007	2008
Cash and investments, July 1	\$ 1,114,088	\$ 1,283,803
Receipts:		
Registration fees	1,706,873	1,686,637
Delinquent fees	185,380	-
Reinstatements fees	5,000	2,000
Filing fees	8,000	10,300
Hearing costs collected	17,604	23,973
Interest income	61,400	41,773
Miscellaneous	194	805
Total receipts	1,984,451	1,765,488
Disbursements:		
Personnel services	1,315,700	1,399,000
Travel	50,584	47,453
Investigations and hearings	36,859	33,501
Dues, subscriptions and fees	12,546	14,455
Postage and supplies	21,637	24,141
Utilities, rent and parking	140,155	141,809
Insurance and maintenance	15,659	14,449
Equipment	1,372	25,416
Judges and lawyers assistance program	213,501	-
Miscellaneous	6,723	5,896
Total disbursements	1,814,736	1,706,120
Excess of receipts over disbursements	169,715	59,368
Cash and investments, June 30	\$ 1,283,803	\$ 1,343,171

The accompanying notes are an integral part of the financial information.

DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

As an agency of the judicial branch of government, the Disciplinary Commission of the Supreme Court of Indiana (Commission) is responsible for the investigation and prosecution of claims of misconduct against lawyers licensed to practice law in Indiana and for protecting lawyers against unwarranted claims of misconduct.

Note 2. Basis of Accounting

The Commission's Schedule of Receipts, Disbursements, and Cash and Investment Balances are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment 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 received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred.

Note 3. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes the Commission to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds.

Note 4. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Commission contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA  
NOTES TO FINANCIAL INFORMATION  
(Continued)

PERF 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:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

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

Note 5. Risk Management

The Commission is subject to risks that include personal injury, property damage, employee bodily injury, employee theft, employee medical, public officials and employee conduct, and workers' compensation. The Commission has purchased insurance policies that transfer certain risks, subject to policy limits. The Commission benefits from the self-insurance coverage of the State of Indiana for other risks. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

DISCIPLINARY COMMISSION OF THE SUPREME COURT OF INDIANA  
EXIT CONFERENCE

The contents of this report were discussed on February 5, 2009, with Donald Lundberg, Executive Secretary. Our examination disclosed no material items that warrant comment at this time.