

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

ST. JOSEPH RIVER BASIN COMMISSION

ST. JOSEPH COUNTY, INDIANA

July 1, 2008 to June 30, 2011



FILED
11/17/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Sandra Seanor	01-01-08 to 12-31-11
Secretary/Treasurer	Paula Reinhold	01-01-08 to 12-31-08
	Craig Williams	01-01-09 to 12-31-09
	Ron Niezgodski	01-01-10 to 12-31-11
Chairperson of the Commission	John J. Dillon	01-01-08 to 12-31-08
	Ron Niezgodski	01-01-09 to 12-31-09
	Martin Franke	01-01-10 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ST. JOSEPH RIVER BASIN
COMMISSION, ST. JOSEPH COUNTY, INDIANA

We have examined the financial statements of St. Joseph River Basin Commission (Commission), for the period of July 1, 2008 to June 30, 2011. The Commission's management is responsible for the financial statements. 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 statement 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 June 30, 2009, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statements. It has not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on it.

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

October 3, 2011

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FINANCIAL STATEMENT

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.

ST. JOSEPH RIVER BASIN COMMISSION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended June 30, 2009, 2010 and 2011

	<u>Cash and Investments 07-01-08</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 06-30-09</u>
General Fund-SJRBC	<u>\$ 172,930</u>	<u>\$ 68,813</u>	<u>\$ 65,687</u>	<u>\$ 176,056</u>
	<u>Cash and Investments 07-01-09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 06-30-10</u>
General Fund-SJRBC	<u>\$ 176,056</u>	<u>\$ 61,503</u>	<u>\$ 59,274</u>	<u>\$ 178,285</u>
	<u>Cash and Investments 07-01-10</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 06-30-11</u>
General Fund-SJRBC	<u>\$ 178,285</u>	<u>\$ 44,669</u>	<u>\$ 55,339</u>	<u>\$ 167,615</u>

ST. JOSEPH RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENT

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.

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. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, 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.

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.

D. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

ST. JOSEPH RIVER BASIN COMMISSION
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Note 2. 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 3. Risk Management

The Commission may be exposed to various risks of loss related to errors and omissions.

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 and replacement items purchased.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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 Report of the Commission which is 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 prepared and/or approved by management of the Commission. It is presented as intended by the Commission.

ST. JOSEPH RIVER BASIN COMMISSION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Years Ended June 30, 2009, 2010 and 2011

	Year Ended 06-30-09	Year Ended 06-30-10	Year Ended 06-30-11
Cash and investments - beginning	<u>\$ 172,930</u>	<u>\$ 176,056</u>	<u>\$ 178,285</u>
Receipts:			
Intergovernmental	67,300	61,226	44,569
Other receipts	<u>1,513</u>	<u>277</u>	<u>100</u>
Total receipts	<u>68,813</u>	<u>61,503</u>	<u>44,669</u>
Disbursements:			
Supplies	1,594	2,764	1,058
Other disbursements	<u>64,093</u>	<u>56,510</u>	<u>54,281</u>
Total disbursements	<u>65,687</u>	<u>59,274</u>	<u>55,339</u>
Excess (deficiency) of receipts over disbursements	<u>3,126</u>	<u>2,229</u>	<u>(10,670)</u>
Cash and investments - ending	<u>\$ 176,056</u>	<u>\$ 178,285</u>	<u>\$ 167,615</u>

ST. JOSEPH RIVER BASIN COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on October 3, 2011, with Debbie Gardner, Fiscal Accounting Manager, and Sandra Seanor, Executive Director. Our examination disclosed no material items that warrant comment at this time.