

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

FINANCIAL STATEMENT  
EXAMINATION REPORT  
OF

INDIANA SUPREME COURT  
DISCIPLINARY COMMISSION

July 1, 2011 to June 30, 2014



**FILED**  
03/14/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Secretary	G. Michael Witte	07-01-11 to 06-30-15
Chairperson of the Commission	R. Anthony Prather Maureen Grinsfelder Catherine A. Nestruck William A. Walker Nancy L. Cross	07-01-11 to 06-30-12 07-01-12 to 06-30-13 07-01-13 to 06-30-14 07-01-14 to 06-30-15 07-01-15 to 06-30-16
Chief Justice of the Supreme Court	Honorable Randall T. Shepard Honorable Randall T. Shepard (interim) Honorable Brent E. Dickson (interim) Honorable Brent E. Dickson Honorable Loretta H. Rush	03-04-07 to 03-04-12 03-05-12 to 03-23-12 03-24-12 to 05-14-12 05-15-12 to 08-17-14 08-18-14 to 12-31-15



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE INDIANA SUPREME COURT DISCIPLINARY COMMISSION

We have examined the accompanying financial statement of the Indiana Supreme Court Disciplinary Commission (Commission), for the period of July 1, 2011 to June 30, 2014. The financial statement is the responsibility of the Commission's management. Our responsibility is to express an opinion on the financial statement 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 statement on 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. The effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Commission for the period of July 1, 2011 to June 30, 2014.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Commission for the period of July 1, 2011 to June 30, 2014, on the basis of accounting described in Note 1.

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

July 15, 2015

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

INDIANA SUPREME COURT DISCIPLINARY COMMISSION  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH BALANCES -  
REGULATORY BASIS  
For the Years Ended June 30, 2012, 2013, and 2014

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Cash, July 1	<u>\$ 1,463,027</u>	<u>\$ 1,558,914</u>	<u>\$ 1,605,952</u>
Receipts:			
Registration fees	2,232,915	2,179,603	2,194,734
Delinquent fees	-	-	-
Reinstatement fees	5,011	2,000	3,500
Filing fees	10,400	8,900	11,500
Hearing costs collected	21,089	17,118	33,209
Interest income	2,752	1,768	1,229
Miscellaneous	<u>660</u>	<u>1,935</u>	<u>-</u>
Total receipts	<u>2,272,827</u>	<u>2,211,324</u>	<u>2,244,172</u>
Disbursements:			
Personnel services	1,797,000	1,749,296	1,781,074
Travel	56,527	64,489	52,579
Investigations and hearings	63,638	52,465	61,564
Dues, subscriptions and fees	17,257	31,906	7,255
Postage and supplies	22,588	30,417	25,237
Utilities, rent and parking	139,439	151,916	148,797
Insurance and maintenance	29,804	20,856	41,574
Equipment	4,177	27,366	1,080
Judges and lawyers assistance program	-	-	-
Miscellaneous	<u>13,347</u>	<u>36,836</u>	<u>10,510</u>
Total disbursements	<u>2,143,778</u>	<u>2,165,546</u>	<u>2,129,670</u>
Excess of receipts over disbursements	<u>129,048</u>	<u>45,778</u>	<u>114,502</u>
Cash, June 30	<u>\$ 1,558,914</u>	<u>\$ 1,605,952</u>	<u>\$ 1,720,740</u>

The accompanying notes are an integral part of this financial statement.

INDIANA SUPREME COURT DISCIPLINARY COMMISSION  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

As an agency of the judicial branch of government, the 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.

The accompanying financial statement presents the financial information for the Commission.

*B. Basis of Accounting*

The financial statement is 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.

**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.

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Commission. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.