

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

FINANCIAL STATEMENT REVIEW REPORT
OF
INDIANA WAR MEMORIALS FOUNDATION, INC.
January 1, 2016 to December 31, 2018



FILED
09/03/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President	Linda S. Jeffrey	01-01-16 to 12-31-19
Treasurer	Anthony P. Aaron	01-01-16 to 12-31-19



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

TO: THE OFFICIALS OF THE INDIANA WAR MEMORIALS FOUNDATION, INC.

We have reviewed the accompanying financial statement of the Indiana War Memorials Foundation, Inc. (Foundation), for the period of January 1, 2016 to December 31, 2018. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Foundation'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 statement as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement 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 Foundation uses is an acceptable basis for the preparation of the financial statement 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 misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with *Statement 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 statement 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 statement in order for it 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 statement, which describes the basis of accounting. The financial statement is 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

July 17, 2019

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

INDIANA WAR MEMORIALS FOUNDATION, INC.
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
As of and for the Years Ended December 31, 2016, 2017 and 2018

	<u>2016</u>	<u>2017</u>	<u>2018</u>
Cash and investments, January 1	\$ 571,876	\$ 587,240	\$1,931,996
Total receipts	<u>\$ 123,660</u>	<u>\$1,450,326</u>	<u>\$4,074,399</u>
Total disbursements	<u>\$ 108,296</u>	<u>\$ 105,570</u>	<u>\$ 200,463</u>
Excess (deficiency) of total receipts over (under) total disbursements	<u>\$ 15,364</u>	<u>\$1,344,756</u>	<u>\$3,873,936</u>
Cash and investments, December 31	<u>\$ 587,240</u>	<u>\$1,931,996</u>	<u>\$5,805,932</u>

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

INDIANA WAR MEMORIALS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Indiana War Memorials Foundation, Inc. (Foundation) was authorized and established under Public Law 17-2005 effective April 13, 2005, which retroactively approved all financial transactions of the Foundation from inception in 2000 to the enactment of the law. The Foundation is established as a 501(c)(3) Corporation. The Foundation was established for the benefit of, to perform the functions of, and to carry out the purposes of the Indiana War Memorials Commission. The Foundation provides cultural and recreational services.

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

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: donations, Bricks of Honor sales, and investment income.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following expenses: grants to the Indiana War Memorials, Bricks of Honor expenses, investing expenses, and other operating expenses.

F. Restricted Cash

Some monies held by the Foundation are subject to restrictions established by donors, while other monies are internally restricted by the Foundation. Such amounts may only be available for use for certain restricted purposes.

INDIANA WAR MEMORIALS FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved by the officers of the Foundation. The officers of the Foundation submit the proposed operating budget to the Foundation Board of Directors, who annually approves the operating budget.

Note 3. Deposits and Investments

- A. Deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Foundation does not have a deposit policy for custodial credit risk. The Foundation's deposits were insured up to \$250,000 by the Federal Deposit Insurance Corporation.

- B. Investments – The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Foundation will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Foundation does not have a formal investment policy for custodial credit risk for investments. The Foundation's investments are held in the name of the Foundation.

INDIANA WAR MEMORIALS FOUNDATION, INC.
EXIT CONFERENCE

The contents of this report were discussed on July 17, 2019, with Linda S. Jeffrey, President, and Anthony P. Aaron, Treasurer.