

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

FINANCIAL STATEMENT REVIEW REPORT

OF

GOVERNOR'S RESIDENCE COMMISSION

January 1, 2017 to December 31, 2018



FILED
09/06/2019

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Review Report.....	3-4
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment	
Balances - Regulatory Basis	6
Notes to Financial Statement	7
Exit Conference.....	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman	Honorable Michael R. Pence Honorable Eric J. Holcomb	01-14-13 to 01-08-17 01-09-17 to 01-11-21



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

TO: THE OFFICIALS OF THE GOVERNOR'S RESIDENCE COMMISSION

We have reviewed the accompanying financial statement of the Governor's Residence Commission (Commission), for the period of January 1, 2017 to December 31, 2018. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Commission'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 Commission 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 it 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 22, 2019

FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

GOVERNOR'S RESIDENCE COMMISSION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES - REGULATORY BASIS
As Of The Period Beginning January 1, 2017 through December 31, 2018

	<u>January 1, 2017 to</u> <u>December 31, 2017</u>	<u>January 1, 2018 to</u> <u>December 31, 2018</u>
Beginning Cash and investments	\$ 4,805	\$ 3,532
Receipts	-	162,142
Disbursements	1,273	163,617
Excess of receipts over (under) disbursements	(1,273)	(1,475)
Ending Cash and investments	<u>\$ 3,532</u>	<u>\$ 2,057</u>

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

GOVERNOR'S RESIDENCE 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 a governing board.

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.

C. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Grants - made by the Governor's Public Building Foundation for the upkeep and enhancement of the Governor's Residence and grounds.

D. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Approved purchases of furniture, accessories, and other items needed for the upkeep and enhancement of the Governor's Residence and Grounds.

Approved payments to vendors for supplies and/or services rendered in the course of maintaining and enhancing the Governor's Residence and Grounds.

Note 2. Deposits

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

GOVERNOR'S RESIDENCE COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2019, with Lou Gerig, Vice Chairman; Marianne Molony, Assistant Secretary; and Cynthia Carrasco, Governor's Office Deputy General Counsel.