

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

FINANCIAL STATEMENTS AUDIT REPORT  
OF

PETERSBURG/PIKE COUNTY REVOLVING LOAN  
FUND ADMINISTRATION BOARD,  
PIKE COUNTY, INDIANA

January 1, 2015 to December 31, 2018



**FILED**  
10/01/2019



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Loan Administrator	(Vacant)	01-01-15 to 01-19-15
	Tammy Selby	01-20-15 to 04-27-18
	Heather Popp	04-28-18 to 08-22-18
	Kristi Dischinger	08-23-18 to 12-31-19
President of the Board of Directors	Carla D. Willis	01-01-15 to 02-07-17
	R. C. Klipsch	02-08-17 to 12-31-18
	Brian Mahoney	01-01-19 to 12-31-19



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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**INDEPENDENT AUDITOR'S REPORT**

TO: THE OFFICIALS OF THE PETERSBURG/PIKE COUNTY REVOLVING  
LOAN FUND ADMINISTRATION BOARD, PIKE COUNTY, INDIANA

**Report on the Financial Statements**

We have audited the accompanying financial statements of the Petersburg/Pike County Revolving Loan Fund Administration Board (Board), which comprise the financial position and results of operations for the period of January 1, 2015 to December 31, 2018, and the related notes to the financial statements as listed in the Table of Contents.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statements, the Board prepares its financial statements 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 basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Board for the period of January 1, 2015 to December 31, 2018.


***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Board for the period of January 1, 2015 to December 31, 2018, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the Board's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Payables and Receivables, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

  
Paul D. Joyce, CPA  
State Examiner

August 7, 2019

## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Years Ended December 31, 2015 and 2016

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15	Receipts	Disbursements	Cash and Investments 12-31-16
Fund - Eda No 06-39-02634-01 Sequestered Account	\$ 259,881	\$ 130	\$ -	\$ 260,011	\$ 130	\$ -	\$ 260,141
Pike County Loan Board Fund - Loan Fund	<u>274,241</u>	<u>42,035</u>	<u>126,402</u>	<u>189,874</u>	<u>42,958</u>	<u>120,259</u>	<u>112,573</u>
<b>Totals</b>	<u>\$ 534,122</u>	<u>\$ 42,165</u>	<u>\$ 126,402</u>	<u>\$ 449,885</u>	<u>\$ 43,088</u>	<u>\$ 120,259</u>	<u>\$ 372,714</u>

The notes to the financial statements are an integral part of this statement.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Years Ended December 31, 2017 and 2018

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17	Receipts	Disbursements	Cash and Investments 12-31-18
Fund - Eda No 06-39-02634-01 Sequestered Account	\$ 260,141	\$ 130	\$ -	\$ 260,271	\$ 131	\$ -	\$ 260,402
Pike County Loan Board Fund - Loan Fund	<u>112,573</u>	<u>34,032</u>	<u>12,202</u>	<u>134,403</u>	<u>46,204</u>	<u>125,187</u>	<u>55,420</u>
Totals	<u>\$ 372,714</u>	<u>\$ 34,162</u>	<u>\$ 12,202</u>	<u>\$ 394,674</u>	<u>\$ 46,335</u>	<u>\$ 125,187</u>	<u>\$ 315,822</u>

The notes to the financial statements are an integral part of this statement.

PETERSBURG/PIKE COUNTY REVOLVING  
LOAN FUND ADMINISTRATION BOARD  
NOTES TO FINANCIAL STATEMENTS

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

*A. Reporting Entity*

The Board was established under the laws of the State of Indiana. The Board operates under a governing board.

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

*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:

*Charges for services.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.* Amounts received from various sources, including, but 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.

PETERSBURG/PIKE COUNTY REVOLVING  
LOAN FUND ADMINISTRATION BOARD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*E. Disbursements*

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

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Other disbursements.* Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The Board may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Board. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Board. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Board in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**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 Board to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

PETERSBURG/PIKE COUNTY REVOLVING  
 LOAN FUND ADMINISTRATION BOARD  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

**Note 3. Loans Receivable - Revolving Loan Funds**

The Board makes low interest loans to local businesses for economic development through the Department of Commerce Economic Adjustment Assistance Program. Loans receivable under this program are as follows:

Borrower	Date of Loan	Amount Loaned	Interest Rate	Required Annual Payment (Principle and Interest)	Principle Balance 12-31-18
General Rental #1	06-21-16	\$ 120,000	2.63%	\$ 7,718	\$ 107,817
General Rental #2	11-01-18	125,000	3.94%	27,584	125,000
Double J	06-17-05	110,000	4.00%	9,888	15,008
Homes by Design	08-01-13	20,000	4.00%	1,776	14,313
MCF Movers	12-26-08	90,000	4.00%	8,088	36,042
Mikels Graphic	07-01-17	12,000	3.00%	994	10,973
Bishop Properties	01-09-16	125,000	2.50%	7,948	120,532

#### OTHER INFORMATION - UNAUDITED

The Board's Annual Financial Reports information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Board's Annual Financial Reports referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Board. It is presented as intended by the Board.

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PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	Fund Eda No 06-39-02634-01 Sequestered Account	Pike County Loan Board Fund - Loan Fund	Totals
Cash and investments - beginning	\$ 259,881	\$ 274,241	\$ 534,122
Receipts:			
Other receipts	130	42,035	42,165
Total receipts	<u>130</u>	<u>42,035</u>	<u>42,165</u>
Disbursements:			
Other services and charges	-	1,402	1,402
Other disbursements	-	125,000	125,000
Total disbursements	<u>-</u>	<u>126,402</u>	<u>126,402</u>
Excess (deficiency) of receipts over disbursements	<u>130</u>	<u>(84,367)</u>	<u>(84,237)</u>
Cash and investments - ending	<u>\$ 260,011</u>	<u>\$ 189,874</u>	<u>\$ 449,885</u>

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2016

	Fund Eda No 06-39-02634-01 Sequestered Account	Pike County Loan Board Fund - Loan Fund	Totals
Cash and investments - beginning	\$ 260,011	\$ 189,874	\$ 449,885
Receipts:			
Charges for services	-	100	100
Other receipts	130	42,858	42,988
Total receipts	130	42,958	43,088
Disbursements:			
Other services and charges	-	259	259
Other disbursements	-	120,000	120,000
Total disbursements	-	120,259	120,259
Excess (deficiency) of receipts over disbursements	130	(77,301)	(77,171)
Cash and investments - ending	\$ 260,141	\$ 112,573	\$ 372,714

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Fund Eda No 06-39-02634-01 Sequestered Account	Pike County Loan Board Fund - Loan Fund	Totals
Cash and investments - beginning	\$ 260,141	\$ 112,573	\$ 372,714
Receipts:			
Other receipts	<u>130</u>	<u>34,032</u>	<u>34,162</u>
Total receipts	<u>130</u>	<u>34,032</u>	<u>34,162</u>
Disbursements:			
Other services and charges	-	202	202
Other disbursements	<u>-</u>	<u>12,000</u>	<u>12,000</u>
Total disbursements	<u>-</u>	<u>12,202</u>	<u>12,202</u>
Excess (deficiency) of receipts over disbursements	<u>130</u>	<u>21,830</u>	<u>21,960</u>
Cash and investments - ending	<u>\$ 260,271</u>	<u>\$ 134,403</u>	<u>\$ 394,674</u>

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Fund Eda No 06-39-02634-01 <u>Sequestered Account</u>	Pike County Loan Board <u>Fund - Loan Fund</u>	<u>Totals</u>
Cash and investments - beginning	\$ 260,271	\$ 134,403	\$ 394,674
Receipts:			
Other receipts	<u>131</u>	<u>46,204</u>	<u>46,335</u>
Total receipts	<u>131</u>	<u>46,204</u>	<u>46,335</u>
Disbursements:			
Other services and charges	-	187	187
Other disbursements	<u>-</u>	<u>125,000</u>	<u>125,000</u>
Total disbursements	<u>-</u>	<u>125,187</u>	<u>125,187</u>
Excess (deficiency) of receipts over disbursements	<u>131</u>	<u>(78,983)</u>	<u>(78,852)</u>
Cash and investments - ending	<u>\$ 260,402</u>	<u>\$ 55,420</u>	<u>\$ 315,822</u>

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ -</u>	<u>\$ 340,475</u>

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2018

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ -</u>	<u>\$ 429,685</u>

#### OTHER REPORTS

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