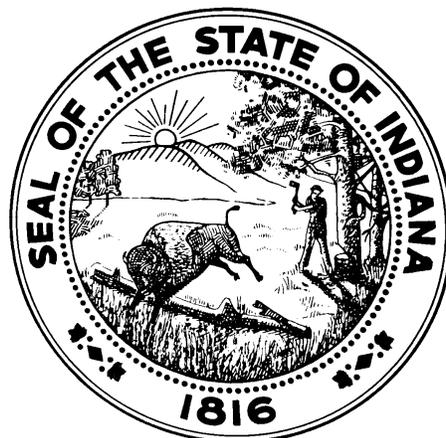


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
KANKAKEE RIVER BASIN COMMISSION
PORTER COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
06/04/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jody Melton	01-01-06 to 12-31-08
Treasurer	Kevin Breitzke	01-01-06 to 12-31-08
Chairman of the Commission	Chris Knochel	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE KANKAKEE RIVER BASIN COMMISSION, PORTER COUNTY, INDIANA

We have examined the schedules of receipts, disbursements and cash and investment balances of the Kankakee River Basin Commission (Commission), for the period of January 1, 2006 to December 31, 2007. The Commission's management is responsible for the financial information presented herein. 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 schedules of receipts, disbursements and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Commission for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

May 7, 2008

KANKAKEE RIVER BASIN COMMISSION
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 GOVERNMENTAL FUND TYPE
 As Of And For The Years Ended December 31, 2006 And 2007

	<u>Cash and Investments 01-01-06</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-06</u>
Governmental Fund: General	\$ <u>353,129</u>	\$ <u>114,048</u>	\$ <u>131,661</u>	\$ <u>335,516</u>
	<u>Cash and Investments 01-01-07</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-07</u>
Governmental Fund: General	\$ <u>335,516</u>	\$ <u>691,842</u>	\$ <u>179,333</u>	\$ <u>848,025</u>

The accompanying notes are an integral part of the schedules.

KANKAKEE RIVER BASIN COMMISSION
NOTES TO SCHEDULES

Note 1. Introduction

The Commission was established under the laws of the State of Indiana. The Commission coordinates the development of the River Basin. The following counties participate in the River Basin: Lake, Porter, LaPorte, St. Joseph, Newton, Jasper, Starke, and Marshall.

Note 2. Fund Accounting

The Commission uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The Commission does not prepare an operating budget.

Note 4. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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.

KANKAKEE RIVER BASIN COMMISSION
EXAMINATION RESULT AND COMMENT

DISBURSEMENT DOCUMENTATION

Claims reviewed did not contain adequate supporting documentation. Credit card payments did not include supporting detailed receipts.

All claims, invoices, receipts, accounts payable vouchers, including those presented to the governing body for approval in accordance with IC 5-11-10, should contain adequate detailed documentation. All claims, invoices, receipts, and accounts payable vouchers regarding reimbursement for meals and expenses for individuals must have specific detailed information of the names of all individuals for which amounts are claimed, including the nature, name, and purpose of the business meeting, to enable the governing body to authorize payment. Payments which do not have proper itemization showing the business nature of the claim, may be the personal obligation of the responsible official, employee or other person for whom the claim is made. (Accounting and Uniform Compliance Guidelines Manual for Special Districts State of Indiana, Chapter 10)

KANKAKEE RIVER BASIN COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on May 7, 2008, with Jody Melton, Director; and Judy Penn, Accountant for Partner Agencies. The officials concurred with our finding.