

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

EXAMINATION REPORT
OF
LAKE MICHIGAN MARINA DEVELOPMENT COMMISSION
PORTER COUNTY, INDIANA
January 1, 2008 to December 31, 2010



FILED
10/25/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6
Notes to Financial Statement.....	7-8
Supplementary Information:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	9
Exit Conference.....	11

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jody Melton	01-01-08 to 06-23-11
Treasurer	Mayor Olga Velazquez	01-01-08 to 06-23-11
Chairman of the Commission	Mayor Charles Oberlie	01-01-08 to 06-23-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAKE MICHIGAN MARINA DEVELOPMENT
COMMISSION, PORTER COUNTY, INDIANA

We have examined the financial statement of the Lake Michigan Marina Development Commission (Commission), for the period of January 1, 2008 to December 31, 2010. The Commission's management is responsible for the financial statement. 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 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 District prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the 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 basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the District for the years ended December 31, 2008, 2009, and 2010, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the financial statement. It has not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Commission's management, Lake Michigan Marina Development Commission, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 28, 2010

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FINANCIAL STATEMENT

LAKE MICHIGAN MARINA DEVELOPMENT COMMISSION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2008, 2009, and 2010

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Fund: General	<u>\$ 1,752,433</u>	<u>\$ 45,290</u>	<u>\$ 37,882</u>	<u>\$ 1,759,841</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Fund: General	<u>\$ 1,759,841</u>	<u>\$ 11,671</u>	<u>\$ 1,737,559</u>	<u>\$ 33,953</u>
	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Fund: General	<u>\$ 33,953</u>	<u>\$ -</u>	<u>\$ 6,181</u>	<u>\$ 27,772</u>

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

LAKE MICHIGAN MARINA DEVELOPMENT 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 (IC 14-13-3). The Commission prepares, recommends, and coordinates the implementation of proposed marina development along Lake Michigan.

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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 statement. The aggregate receipts may include, but are not limited to, the following sources:

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records; copy machine 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.

Sale of investments which includes investments sold by the Commission.

LAKE MICHIGAN MARINA DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENT
(Continued)

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Supplies which includes articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance; and rental charges.

Purchase of investments which includes investments purchased by the Commission.

F. 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 2. Budgets

The Commission does not prepare an operating budget.

Note 3. Deposits and Investments

Deposits, made in accordance with state statute (IC 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 City 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.

Note 4. Subsequent Events

In June 2011, the Commission passed a resolution dissolving the Commission and transferring its assets to the Lake Michigan Marina and Shoreline Development Commission (LMMSDC). Since the LMMSDC has not held a meeting as of July 2011, the assets have yet to be transferred from the Commission.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the District's Annual Reports can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

LAKE MICHIGAN MARINA DEVELOPMENT COMMISSION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Years Ended December 31, 2008, 2009, and 2010

	01-01-08 to 12-31-08 <u>General</u>	01-01-09 to 12-31-09 <u>General</u>	01-01-10 to 12-31-10 <u>General</u>
Cash and investments - beginning	\$ 1,752,433	\$ 1,759,841	\$ 33,953
Receipts:			
Intergovernmental	-	-	-
Other receipts	<u>45,290</u>	<u>11,671</u>	<u>-</u>
Total receipts	<u>45,290</u>	<u>11,671</u>	<u>-</u>
Disbursements:			
Personal services	-	-	-
Supplies	-	-	-
Other services and charges	37,351	1,737,355	6,000
Capital outlay	-	-	-
Other disbursements	<u>531</u>	<u>204</u>	<u>181</u>
Total disbursements	<u>37,882</u>	<u>1,737,559</u>	<u>6,181</u>
Excess (deficiency) of receipts over disbursements	<u>7,408</u>	<u>(1,725,888)</u>	<u>(6,181)</u>
Cash and investments - ending	<u>\$ 1,759,841</u>	<u>\$ 33,953</u>	<u>\$ 27,772</u>

LAKE MICHIGAN MARINA DEVELOPMENT COMMISSION
EXIT CONFERENCE

The contents of this report were discussed on July 28, 2011, with Jody Melton, Director; Mayor Charles Oberlie, Chairman of the Commission; and Kelly Wenger, Accountant. Our examination disclosed no material items that warrant comment at this time.