

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

**Paul D. Joyce, CPA  
State Examiner**

COMPLIANCE ENGAGEMENT REPORT

OF

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION

LAKE COUNTY, INDIANA

January 1, 2020 to December 31, 2024



**FILED**

05/09/2025



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Daniel Repay	01-01-20 to 12-31-25
Treasurer	Thomas Gozdecki	01-01-20 to 12-31-25
Chair of the Commission	William Baker	01-01-20 to 12-31-25



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## INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE LITTLE CALUMET RIVER BASIN  
DEVELOPMENT COMMISSION, LAKE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Little Calumet River Basin Development Commission (Commission), for the period of January 1, 2020 to December 31, 2024. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Commission as this engagement was not conducted in accordance with any standards established by an authoritative standard-setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Commission's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

Beth Kelley, CPA, CFE  
Deputy State Examiner

April 22, 2025

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION  
COMMENT

**BANK RECONCILEMENTS**

*Condition and Context*

Internal controls were not in place to ensure that all depository and investment accounts and fund balances were included in the monthly reconciliation process. The Commission had three depository accounts and a Certificate of Deposit (CD) investment throughout the engagement period. Monthly bank reconcilements were completed; however, a review of the reconcilements noted the following:

- Monthly reconcilements were prepared for the General Fund depository account only. The other two depository accounts were not included in the monthly reconcilements, ensuring that all accounts were reconciled and agreed to the records.
- For the General Fund, a \$500,000 CD investment was purchased, held, and reported in the balance for the fund in the Annual Financial Report. However, the investment was not properly recorded in the records, included in the ledger cash and investment balance for the General Fund, or included in the monthly reconciliation process. This resulted in the ledger cash and investment balance for the General Fund to be less than the reported balance in the financial statement.

*Criteria*

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

1. At the time investments are purchased, the fiscal officer and/or bookkeeper should enter the full cost of the securities (purchase price plus accrued interest) as a disbursement from the fund or funds from which the investment is made. Where investment is made from "total monies on deposit," the warrant or check issued will not be posted in the ledger, but a memorandum account should be set up in a separate section of the ledger to which investment transactions will be posted.
2. When investment is made from a specific fund, a new fund entitled "Investments Fund" should be set up on the records. The net price (purchase price less accrued interest) should be entered as a receipt to this fund. The Investment Register, General Form 350, or an alternative form providing the same information should be used for keeping a record of all investments purchased by the political subdivision.

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION  
COMMENT  
(Continued)

3. Interest received in such investments by fund should be entered as a receipt to the fund from which the investment was purchased. Interest received from investment of "total monies on deposit" should be receipted to the general fund or the fund specified by the governing board.
4. When the investments by fund are sold, the full amount of such sale should be entered as receipt to the fund from which the investment was made. The receipt should show separately the principal (purchase price) received and the interest received from the investment. At this time, the net purchase price (purchase price less accrued interest) should also be entered as a disbursement from the "Investments Fund." When the investment from "total monies on deposit" is sold the principal (purchase price) will not be posted as a receipt to the ledger but the interest thereon will be posted as a receipt to the general fund or fund designated by governing board. Proper entry shall be made also in the memorandum account, as well as in the Investment Register.

(Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."



STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH AND  
INVESTMENT BALANCES - REGULATORY BASIS



LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
General Fund	\$ 13,007,033	\$ 8,005,792	\$ 8,353,831	\$ 12,658,994	\$ 7,716,188	\$ 6,878,216	\$ 13,496,966
Hobart Marsh Mitigation	1,056,274	8,014	-	1,064,288	5,334	-	1,069,622
Corps Escrow Construction Fund	100,039	162	-	100,201	49	-	100,250
Totals	<u>\$ 14,163,346</u>	<u>\$ 8,013,968</u>	<u>\$ 8,353,831</u>	<u>\$ 13,823,483</u>	<u>\$ 7,721,571</u>	<u>\$ 6,878,216</u>	<u>\$ 14,666,838</u>

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
General Fund	\$ 13,496,966	\$ 8,056,329	\$ 6,624,738	\$ 14,928,557	\$ 8,552,070	\$ 8,953,263	\$ 14,527,364
Hobart Marsh Mitigation	1,069,622	18,735	-	1,088,357	57,384	-	1,145,741
Corps Escrow Construction Fund	100,250	50	-	100,300	47	100,347	-
Totals	<u>\$ 14,666,838</u>	<u>\$ 8,075,114</u>	<u>\$ 6,624,738</u>	<u>\$ 16,117,214</u>	<u>\$ 8,609,501</u>	<u>\$ 9,053,610</u>	<u>\$ 15,673,105</u>

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Year Ended December 31, 2024

Fund	Cash and Investments 01-01-24	Receipts	Disbursements	Cash and Investments 12-31-24
General Fund	\$ 14,527,364	\$ 9,992,677	\$ 8,098,372	\$ 16,421,669
Hobart Marsh Mitigation	1,145,741	62,860	-	1,208,601
Totals	<u>\$ 15,673,105</u>	<u>\$ 10,055,537</u>	<u>\$ 8,098,372</u>	<u>\$ 17,630,270</u>

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION  
EXIT CONFERENCE

The contents of this report were communicated to Daniel Repay, Executive Director; Thomas Gozdecki, Treasurer; and Jodi Lambert, Office Manager, on May 1, 2025.