

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

FINANCIAL STATEMENT AUDIT REPORT

OF

CITY OF EAST CHICAGO

LAKE COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

09/05/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Valeriano Gomez	01-01-23 to 12-31-24
Mayor	Anthony Copeland	01-01-23 to 12-31-24
President of the Board of Public Works	Valeriano Gomez	01-01-23 to 12-31-24
President of the Common Council	Monica G. Gonzalez Lenny Franciski	01-01-23 to 12-31-23 01-01-24 to 12-31-24



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF EAST CHICAGO, LAKE COUNTY, INDIANA

Report on the Audit of the Financial Statement

Adverse and Unmodified Opinions

We have audited the accompanying financial statement of the City of East Chicago (City), which comprises the financial position and results of operations as of and for the year ended December 31, 2023, and the related notes to the financial statement as listed in the Table of Contents.

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 and Unmodified Opinions* section of our report, the financial statement referred to above does not present fairly, the financial position and results of operations of the City as of and for the year ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statement referred to above presents fairly, in all material respects, the respective financial position and results of operations of the City, as of and for the year ended December 31, 2023, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial auditors contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Matter Giving Rise to Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the City prepares its financial statement 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 statement 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the financial statement 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 the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates and related disclosures made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Information

Management is responsible for the other information included in the Annual Financial Report. The other information comprises the Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, but does not include the basic financial statement and our auditor's report thereon. Our opinions on the basic financial statement do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we concluded that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Beth Kelley, CPA, CFE
Deputy State Examiner

August 19, 2024

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES AND OTHER INFORMATION

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

The City's Annual Financial Report 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 statement contained in this report and the financial information presented in the City's Annual Financial Report 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 City. It is presented as intended by the City.

CITY OF EAST CHICAGO
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2023

Fund	Cash and Investments		Cash and Investments	
	01-01-23	Receipts	Disbursements	12-31-23
General	\$ 34,157,664	\$ 36,654,718	\$ 28,587,136	\$ 42,225,246
Motor Vehicle Highway	2,922,309	567,836	2,488,568	1,001,577
Local Road and Street	1,113,052	484,754	989,123	608,683
MVH Restricted	620,447	567,836	-	1,188,283
Park Nonreverting Operating	17,510	2,000	-	19,510
Health	415,502	203,815	46,705	572,612
TIF Lakefront Alloc Area I	4,252,894	2,356,169	1,662,194	4,946,869
Building Demolition	10,921	1	10,922	-
Public Transportation	2,898,684	893,144	1,168,968	2,622,860
Community Development	(182,968)	1,237,765	1,024,967	29,830
Local Law Enforcement Continuing Education	113,039	53,634	74,585	92,088
Clerk's Record Perpetuation	21,880	3,310	-	25,190
Unsafe Building	560,148	280,727	353,560	487,315
Riverboat	16,556,012	11,669,523	14,308,787	13,916,748
Park and Recreation Operating	3,495,625	3,145,637	2,450,522	4,190,740
LOIT Special Distribution	77,158	-	-	77,158
Opioid Settlement Unrestricted	74,431	13,318	-	87,749
Opioid Settlement Restricted	173,673	48,132	-	221,805
Redevelopment Capital	1,247,759	754,823	-	2,002,582
County Economic Development Income Tax (CEDIT)	4,730,700	3,700,446	2,896,046	5,535,100
Cumulative Capital Improvement-Cigarette Tax	304,073	47,867	-	351,940
Self-Insurance	15,977,239	9,414,544	8,602,036	16,789,747
Police Pension	(9,637)	3,572,589	3,703,748	(140,796)
Fire Pension	109,024	2,379,609	2,449,266	39,367
Court Costs Due County	2,986	12,687	12,735	2,938
LIT-Public Safety	4,328,664	3,999,871	3,618,621	4,709,914
Local Development Agreement	6,409,703	3,455,149	741,792	9,123,060
TIF US Gypsum	1,354,159	1,422,675	217,835	2,558,999
TIF Riley Plaza	49,828	101,616	100,636	50,808
Police Local Forfeitures	38,848	6,372	-	45,220
Redevelopment Rental	733,931	1,146,967	1,022,701	858,197
TIF Northtown Village Townhomes	370,425	110,201	297,961	182,665
Home Investment Partnership Program	107,488	320,512	3,179	424,821
Corporation Bond (Proceeds)	86,540	-	-	86,540
TIF Lakeside Garden	895,999	405,948	236,577	1,065,370
Public Works Revolving	-	9,158,064	9,158,063	1
Local Road and Bridge Grant	2,361,411	-	675,310	1,686,101
TIF Annex Allocation Area	175,552	475,685	361,919	289,318
Redevelopment Education	267,283	-	-	267,283
ARP-CV Local Fiscal Recovery	21,649,726	502,657	11,258,475	10,893,908
TIF Lakefront Alloc Area II	111,105	134,246	110,550	134,801
TIF Lakefront Alloc Area III	-	12,714	1,500	11,214
Supplemental Adult Probation Services	72,121	9,612	20,307	61,426

CITY OF EAST CHICAGO
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Federal Grants	44,038	10,292	43,285	11,045
State Grants	1,547,471	386,764	-	1,934,235
Local Grants	596,286	101,450	102,097	595,639
Police Federal Forfeitures	73,579	21,598	33,214	61,963
Damage To City Property	67,408	-	-	67,408
Vital Records Fund	468,023	56,251	25,508	498,766
City Court Programs	33,533	14,242	19,644	28,131
EC Petty Cash Accts	5,000	17	17	5,000
Lease Rental Payment	664,758	1,441,692	1,786,001	320,449
Communications Revolving	(13,467)	209,360	207,396	(11,503)
Gasoline Revolving	(77,383)	571,561	574,052	(79,874)
Redevelopment General	856,879	890,206	974,476	772,609
Payroll Withholding	5,115	63,329,713	63,324,887	9,941
Health Insurance	546,263	5,151,931	5,151,471	546,723
Misc Employees Insurance	82,652	3,064	-	85,716
Worker's Compensation	8,554	528,849	493,320	44,083
City Clerk	694,797	211,723	303,732	602,788
ECSDWW Petty Cash	5,000	1	1	5,000
Sewage Utility Construction	2,868,806	147,395	231,392	2,784,809
Sewage Utility Bond and Interest	571,232	1,240,262	1,143,417	668,077
Sewage Debt Service Reserve	1,000,484	161,732	-	1,162,216
Sanitation Rainy Day	123,145	-	-	123,145
Sewage Utility Operating	2,625,872	6,881,047	8,167,127	1,339,792
Sewage Replacement Reserve	2,019,198	560,500	303,066	2,276,632
Storm Water Utility Operating	2,594,506	3,385,486	3,493,755	2,486,237
Sanitation	13,867,687	11,045,901	10,173,815	14,739,773
Sanitation Recycling	2,142,005	151,609	-	2,293,614
Utilities Revolving	-	746,070	746,070	-
Water Utility Meter Deposit	311,926	20,200	18,168	313,958
Water Utility Operating	84,017	10,422,346	10,744,557	(238,194)
Water Tank Refurbishment	246,194	1,000,000	1,012,768	233,426
Water Utility Construction	810,808	1,988,419	859,836	1,939,391
Change Fund	1,000	-	-	1,000
Water Debt Service Reserve	1,712,049	84,216	-	1,796,265
Water Utility Bond and Interest	3,383,180	3,718,175	3,483,370	3,617,985
EC Marina	532,193	984,522	1,028,569	488,146
EC Marina Petty Cash Accts	1,500	385	385	1,500
Totals	<u>\$ 169,177,216</u>	<u>\$ 214,794,152</u>	<u>\$ 213,100,690</u>	<u>\$ 170,870,678</u>

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

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

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. 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 include the following sources:

Taxes. Amounts received from one or more of the following: property tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits. Amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: local income tax, federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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. 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.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

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.

E. Disbursements

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

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

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.

Debt service - principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

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 City 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 City. 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 City. 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 City 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. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. 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 City 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.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977, providing retirement, disability, and survivor benefits.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

E. Additional Pension Plan

The City also contributes to an additional pension plan unique to the City. Information regarding this plan may be obtained from the East Chicago Department of Redevelopment.

CITY OF EAST CHICAGO
 NOTES TO FINANCIAL STATEMENT
 (Continued)

Note 7. Deficit Fund Balances

The following funds have deficit fund balances at December 31, 2023:

<u>Fund Name</u>	<u>Previous Year Balance</u>	<u>Current Year Balance</u>
Water Utility Operating	\$ 84,017	\$ (238,194)
Communications Revolving	(13,466)	(11,503)
Gasoline Revolving	(77,382)	(79,874)
Police Pension	(9,636)	(140,796)

Reasons for the deficit fund balances include some City funds being created for reimbursable grants and others as internal service funds. The reimbursements for expenditures made by these funds were not received by December 31, 2023.

Police Pension relief payments received from the State of Indiana in June and September of 2023 were not sufficient to cover the expenses of the Police Pension Fund.

In addition, the Water Utility Operating fund has outstanding temporary loans due to other City and Water Utility funds, totaling \$5,000,000 at December 31, 2023. Without the temporary loans, the Water Utility Operating fund would have an overdrawn cash balance of \$5,238,195 at December 31, 2023.

Note 8. Holding Corporation

The City has entered into a capital lease with the East Chicago Municipal Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2023 totaled \$1,771,129.

Note 9. Subsequent Events

Short-Term Debt - Loans Between Funds

Due to shortfalls in water revenues, the City made temporary loans between funds during 2023. These loans were not repaid during 2023. As of December 31, 2023, three loans to the Water Utility Operating fund, totaling \$5,000,000 were still outstanding. Two loans were extended and will be repaid by June 30, 2024; however, one loan totaling \$2,000,000 was not repaid on June 30, 2022, and continues to be outstanding in 2024.

Payment in Lieu of Taxes

The East Chicago Water Utility Operating fund owes a Payment in Lieu of Taxes (PILOT) to the City's General fund for the years 2020, 2021, 2022, and 2023 in the amount of \$600,000 per year. The cumulative balance owed to the City's General fund is \$2,400,000. In addition, the 2024 PILOT payments have yet to be received.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

The East Chicago Sewage Utility Operating Fund owes a PILOT to the City's General fund for the years 2020, 2021, and 2022 in the amount of \$856,090 per year. The cumulative balance owed to the City's General fund is \$2,568,270.

Waterworks District Revenue Bond Anticipation Notes, Series 2023

On March 23, 2023, the East Chicago Water Utility Operating issued bond anticipation notes (BANs) totaling \$1,890,000. The BANs proceeds will be used to pay for cost of issuance of the BANs, rate case fees, and eligible engineering costs related to the three projects which will be funded by the State Revolving Fund (SRF) loan program, with the Indiana Finance Authority, at a later date. The BANs were repaid on March 21, 2024.

Waterworks District Revenue Bond Anticipation Notes, Series 2024

On March 21, 2024, the East Chicago Water Utility BANs totaling \$1,945, 000. These BANs proceeds were used to pay for the cost of issuance of the series 2024 BANs, and the redemption of the \$1,890,000 Waterworks District Bond Anticipation Notes, Series 2023.

Note 10. Other Postemployment Benefits

The City provides health benefits to eligible retirees and their spouses. These benefits pose a liability to the City for this year and in future years. Information regarding these benefits can be obtained by contacting the City.

Note 11. Contingent Liabilities and Lawsuits

The City has been named as defendant in several pending lawsuits of which the outcome and the amount of potential damages has not been estimated.

Note 12. Tax Increment Receipts Pledged

The City has pledged a portion of tax incremental finance property tax receipts to repay \$1,750,000 in tax increment finance revenue bonds issued in 2007 to finance the costs of converting an existing retail structure located in Riley Plaza into a supermarket facility. The bonds are payable solely from the incremental property tax generated by the allocation area. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. The tax incremental finance property tax receipts received in 2023 were not enough to cover the 2023 payments due.

Note 13. Indiana Harbor Revitalization Project

The Community Builders, Inc. (TCB), Hispanic Housing Development Corp. (HHDC), and EDAW combined to form the Indiana Harbor Community Master Development Team, which was jointly selected by the East Chicago Board of Public Works, East Chicago Housing Authority, and the East Chicago Redevelopment Commission.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

On March 1, 2006, a Master Development Agreement was entered into for a Master Developer to oversee and carry out the redevelopment (the Revitalization) of a certain portion of the City known as the Indiana Harbor Community. This area was designated by the City's Redevelopment Commission as a Tax Increment Financing (TIF) District in 2002. As part of the agreement, the Master Developer is to plan, coordinate, and implement all aspects of the Revitalization. The Revitalization contemplates a comprehensive redevelopment of the Revitalization Area, including the development or redevelopment of housing, commercial and retail space, public space, public facilities, and industrial facilities.

To achieve the revitalization, the City's Redevelopment Commission transferred ownership of 21 parcels of property to Northtown Village Townhomes Limited Partnership (Northtown) for the sum of \$10 in 2008. Northtown is a wholly owned subsidiary of The Community Builders, Inc., one of the three entities which comprise the Indiana Harbor Community Master Development Team.

The Commission also loaned Northtown \$3,000,000 to be used to finance construction of 75 unit townhomes consisting of two, three, and four bedroom rental units comprised of ten separate buildings. The loan was made in installments over a three-year period. Northtown was loaned \$619,558 in October 2007 and \$1,380,442 in November 2008 from the Economic Development Commission Fund, which receipts the tax increment financing property tax revenues generated from the TIF District. The final installment was paid to Northtown on February 6, 2009, from grants awarded to the City in 2007 from the East Chicago Urban Enterprise Association, Inc., and the Gary/Hammond/East Chicago Empowerment Zone. The Phase I loan bears interest at 1.75 percent compounded annually. The unpaid principal, as well as any accrued and unpaid interest, will be due and payable no later than December 31, 2048.

Northtown completed the 75 unit development and all units were fully occupied as of March 30, 2010, with plans underway for a Phase II development. Phase II will consist of 50 additional units. To undertake this project the Northtown retained \$1,200,000 of funds available for repayment on the \$3,000,000 loan for Phase I, and the Commission provided an additional \$500,000 from the Economic Development Commission Fund. A new loan agreement was established to evidence the \$1,700,000 loan made by the Commission to Northtown as of June 30, 2010. This loan bears interest at 1.25 percent, compounding annually. The unpaid principal, as well as any accrued and unpaid interest, will be due and payable no later than December 31, 2050.

On June 30, 2010, the Commission loaned Northtown \$953,000 also bearing interest at 1.25 percent, compounding annually. The unpaid principal, as well as any accrued and unpaid interest, will be due and payable no later than December 31, 2050. The Commission received the loan funds from the U.S. Department of Housing and Urban Development through the Neighborhood Stabilization Program (NSP).

The loan activity between the City's Redevelopment Commission and Northtown is as follows:

	Balance 01-01-23	New Loans	Repayments	Balance 12-31-23	Accrued and Unpaid Interest
Phase I	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000	\$ 498,355
Phase II	<u>2,653,000</u>	<u>-</u>	<u>-</u>	<u>2,653,000</u>	<u>294,634</u>
Totals	<u>\$ 4,453,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,453,000</u>	<u>\$ 792,989</u>

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 14. Settlements

Consent Decree

An Agreed Judgment resolving the case of the Indiana Department of Environment Management (IDEM) vs. the East Chicago Sanitary District (District) was approved and entered by the Judge of the Lake Circuit Court on October 1, 2007. The Consent Decree contains both specific and general tasks and obligations and goals which are to be accomplished within prescribed deadlines. The Consent Decree provides for the payment of stipulated penalties in the event of the District's failure to comply with specified wastewater treatment plant performance standards or to achieve facility improvement programs within the time limits imposed.

The major component of the Agreed Judgment is the District's obligation to revise and implement a long-term combined sewer overflow control plan (Long-Term Plan). The process includes submission of a Use Attainability Analysis which determines a financial capability assessment of the District user charge payers, and the cost effectiveness of treatment plant and system improvements which would reduce Combined Sewer Overflows (CSO) into the Grand Calumet River. The Long-Term Plan has been submitted to the IDEM and review by the United States Environmental Protection Agency (EPA) and was approved.

The Plan as most recently configured proposed spending approximately \$12.2 million on treatment plant and system improvements to be raised through a revenue bond issued in the total amount of \$12.94 million. The Plan called for the construction of improvements in two phases, the first in 2014 and 2015, with the second originally planned to commence in 2016. Phase 1 was financed under a bond anticipation note (BAN), the bond itself being issued at the end of 2015. The District sought and won approval from the City Council for a user rate increase in 2014 to support financing for the project.

In order to take advantage of economies in construction staging, some elements of Phase 2 were completed in Phase 1. However, discovery of unforeseen subsurface issues and other considerations required a re-structuring of the Plan for Phase 2 and the addition of a number of elements. The IDEM also has suggested the EPA approval may require an additional expenditure over years in order to reduce the number of CSO events. A new engineering firm of record was engaged, and the resulting cost of Phase 2 was upwardly adjusted to a total of between \$12 and 13 million. Upon issuance of the 2015 Bond, just over \$6 million of the proceeds were used to satisfy the BANs for Phase 1, leaving approximately \$6 million remaining and available for Phase 2.

In 2018, a Request for Proposals for a Guaranteed Cost Saving Contract (GCS) was issued for Phase 2, and Kokosing Industrial was selected as the general contractor for the project. Under the revised scope of work necessary to complete Phase 2, it was believed an additional \$6 million to \$7 million dollars was needed to complete the project. The District engaged the Municipal Advisory and accounting firm of Baker Tilly to prepare a cost of service study to set the stage for a new user rate increase, and to advise on the most favorable alternative for financing. The District had planned to receive revenue bond proceeds financed by a sewer user charge increase in late 2019, with construction of Phase 2 commencing in the Spring of 2020. To that end, the District prepared a cost of service study, adopted amended sewer user charges sufficient to pay bond debt service, and sought the necessary approval from the Common Council in order for the charges to go into effect. The Common Council failed to adopt the ordinance establishing those rates.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

In the 2020 session, the General Assembly enacted HB 1131 amending I.C. 36-9-25-11.3 allowing the District to seek sewer user increases/amendments by filing a rate case with the Indiana Utility Regulatory Commission (IURC) as an alternative to obtaining approval from the local legislative body. The District has employed professional services to seek that remedy from the IURC. In the meantime, the estimated cost of the project has increased to \$13,500,000 requiring \$8,500,000 of financing. A bond anticipation note (BAN) was secured on June 4, 2020, to provide funds for the project. Upon securing the BAN proceeds, ECSD entered into an agreement for the construction of the LTCP Phase II Project on July 23, 2020, with Kokosing Industrial, and the Notice to Proceed for the project was issued on September 8, 2020. Kokosing Industrial has 725 days from Notice to Proceed placing completion of this phase in September 2022.

On May 17, 2022, the Sanitary District submitted a proposed Order to the IURC containing a settlement reached with the OUCC and the intervening industrial customers. Upon approval, the District's sewer user rates will increase in three phases producing \$2,101,901 in increased revenue which will support accounting for SRF debt in the amount of \$7,945,000.

On May 28, 2021, the District submitted a request to amend its Long-Term CSO Control Plan (LTCP) to IDEM by December 31, 2021. On December 31, 2021, the District submitted Chapters 3 & 4 of the LTCP with a request to extend the due date for the final submittal to April 30, 2022. On April 29, 2022, the District submitted its 2022 update to its CSO LTCP along with an updated Financial Capability Assessment.

On November 8, 2021, the Sanitary District received notice from the Department of Justice (DOJ) that the U.S. Environmental Protection Agency (EPA) has referred claims for certain alleged violations of the Clean Water Act (CWA) to the DOJ for civil prosecution. The claims are for alleged CWA violations for failure to implement an approved pretreatment program, failure to comply with effluent limitations and standards in the District's NPDES Permit, and failure to comply with the requirements of a 2014 EPA Administrative Consent Order. The DOJ has offered to resolve these claims without litigation and has invited the District to discuss settlement of these matters.

Settlement discussions have been ongoing. Tolling agreements have been executed excluding the period commencing November 1, 2021 through September 1, 2024, from being included in computing the running of any statute of limitations applicable to any action brought by the government.

USS Lead Superfund

The USS Lead Superfund site is located within the City of East Chicago. The lead refinery was constructed in 1906. The DuPont facility, located east of USS Lead operated from 1910 to 1949. The site includes part of the former USS Lead facility along with nearby commercial, municipal, and residential areas. The primary contaminants of concern are lead and arsenic. The site is separated into three zones, which include a public housing complex and residential properties. Zone 1 is a neighborhood that includes the West Calumet Housing Complex and Carrie Gosch Elementary School. Zones 2 and 3 are residential neighborhoods. Construction of the residential began in 1939 and were completed in 1959. The elementary school was dedicated in 1959. The West Calumet Housing Complex was constructed between 1970 and 1973. USS Lead ceased operation in 1992.

CITY OF EAST CHICAGO
NOTES TO FINANCIAL STATEMENT
(Continued)

RCRA referred the residential areas adjacent to the USS Lead facility to Superfund in 2004. In 2006, the EPA began testing for lead contamination in yards and published notices stating that lead is highly toxic and can cause behavioral problems, learning disabilities, seizures, death, and other health effects. Currently, the Housing Complex has been closed and residents relocated. The elementary school is also closed.

Two lawsuits arising from this situation have been filed naming the City, the Mayor, BP Products, DuPont, Atlantic Richfield, the East Chicago Housing Authority, and its director. The complaint alleges that the defendants concealed the dangers of the contaminated land in which they resided, along with the theories of conspiracy, personal injury, breach of contract and implied warranty, fraud, and misrepresentation. Additional claims allege violation of the 14th Amendment, the Civil Rights Act, and the Equal Protection Clause. In one case, the plaintiffs have requested the conditional class certification of each resident living in the West Calumet area of the City. The City is prepared to contest all claims.

In 2017 the City received tort claim notices for an additional one hundred (100) individuals claiming injury and damages arising from this situation. Although the City's exposure could exceed \$1 million dollars if it does not prevail, the case has been vigorously defended. The City has obtained dismissals of some of the constitutional claims made. This allows, in some instances, for only state law, tort claims to proceed which is governed by the Indiana Tort Claims Act where damages are capped.

This is a multi-plaintiff lawsuit involving former residents of the West Calumet Housing Complex in East Chicago, Indiana and former students of Carrie Gosch Elementary School. The Plaintiffs claim that the City of East Chicago ("City") and the City's Department of Public Environmental Health ("ECDH") knew or should have known that the West Calumet Housing Complex and Carrie Gosch Elementary School was contaminated with lead and arsenic. The Plaintiffs allege that the Defendants failed to warn the Plaintiffs of the contaminants that were present in the West Calumet Housing Project and Carrie Gosch Elementary School. The Plaintiffs claim that they were first notified of the contamination on July 25, 2016, when Mayor Anthony Copeland sent the Plaintiffs letters advising them to vacate their residences due to the contamination. The Plaintiffs are seeking relief under the following theories: negligence, intentional infliction of emotional distress, and negligent infliction of emotional distress.

In the Adams Lawsuit, the Court dismissed the following claims from the Plaintiffs' Complaint: intentional infliction of emotional distress and negligent infliction of emotional distress, fraudulent concealment, breach of contract and implied warranty, nuisance, and trespass. This dismissal occurred due to the Plaintiffs failing to address these claims in response to the East Chicago Housing Authority's ("ECHA") Motion to Dismiss the Plaintiffs' Complaint. However, there is a dispute from the Plaintiffs as to whether these claims were dismissed against the ECHA or all of the Defendants. It is the Defendants' contention that the latter applies because the Defendants all asked to join ECHA's Motion to Dismiss during the hearing on the motion.

On January 24, 2024, the Adams Plaintiffs settled with the East Chicago Housing Authority. The claims brought by the Adams plaintiffs remains pending against all other Defendants. At this time, the parties are in the process of setting depositions. On April 9, 2024, the Plaintiffs filed their first amended notice to take the 30(B)(6) deposition of the Defendant Indiana State Board of Health. The date, time, and place of the deposition is yet to be determined. In addition, on April 15, 2024, Plaintiff filed his first amended notice of taking Rule 30(B)(6) audio-visual deposition of Defendant Indiana Department of Environmental Management. The date, time, and place of the deposition is yet to be determined. The current case management schedule has been vacated to allow discovery to be completed. This case is still pending and is in the discovery phase.

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OTHER INFORMATION

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	General	Motor Vehicle Highway	Local Road and Street	MVH Restricted	Park Nonreverting Operating	Health	TIF Lakefront Alloc Area I
Cash and investments - beginning	\$ 34,157,664	\$ 2,922,309	\$ 1,113,052	\$ 620,447	\$ 17,510	\$ 415,502	\$ 4,252,894
Receipts:							
Taxes	30,640,791	-	-	-	-	-	2,356,106
Licenses and permits	776,813	-	-	-	-	-	-
Intergovernmental receipts	1,877,549	567,836	484,754	567,836	-	203,815	-
Charges for services	466,534	-	-	-	2,000	-	-
Fines and forfeits	58,697	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,834,334	-	-	-	-	-	63
Total receipts	36,654,718	567,836	484,754	567,836	2,000	203,815	2,356,169
Disbursements:							
Personal services	19,892,051	-	-	-	-	21,907	-
Supplies	481,046	-	54,597	-	-	2,070	-
Other services and charges	6,926,667	1,991,847	934,526	-	-	22,728	412,645
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	733,024	496,721	-	-	-	-	1,808
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	554,348	-	-	-	-	-	1,247,741
Total disbursements	28,587,136	2,488,568	989,123	-	-	46,705	1,662,194
Excess (deficiency) of receipts over (under) disbursements	8,067,582	(1,920,732)	(504,369)	567,836	2,000	157,110	693,975
Cash and investments - ending	\$ 42,225,246	\$ 1,001,577	\$ 608,683	\$ 1,188,283	\$ 19,510	\$ 572,612	\$ 4,946,869

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Building Demolition	Public Transportation	Community Development	Local Law Enforcement Continuing Education	Clerk's Record Perpetuation	Unsafe Building	Riverboat
Cash and investments - beginning	\$ 10,921	\$ 2,898,684	\$ (182,968)	\$ 113,039	\$ 21,880	\$ 560,148	\$ 16,556,012
Receipts:							
Taxes	-	169,443	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	720,441	1,105,948	20,693	-	-	11,637,635
Charges for services	-	-	-	30,703	-	-	-
Fines and forfeits	-	-	-	2,234	3,310	69,410	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1	3,260	131,817	4	-	211,317	31,888
Total receipts	1	893,144	1,237,765	53,634	3,310	280,727	11,669,523
Disbursements:							
Personal services	-	875,813	224,577	-	-	-	-
Supplies	-	93,705	42	26,853	-	-	80,288
Other services and charges	-	75,881	800,348	42,436	-	333,540	7,953,380
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	123,569	-	5,296	-	-	5,151,009
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	10,922	-	-	-	-	20,020	1,124,110
Total disbursements	10,922	1,168,968	1,024,967	74,585	-	353,560	14,308,787
Excess (deficiency) of receipts over (under) disbursements	(10,921)	(275,824)	212,798	(20,951)	3,310	(72,833)	(2,639,264)
Cash and investments - ending	\$ -	\$ 2,622,860	\$ 29,830	\$ 92,088	\$ 25,190	\$ 487,315	\$ 13,916,748

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Park and Recreation Operating	LOIT Special Distribution	Opioid Settlement Unrestricted	Opioid Settlement Restricted	Redevelopment Capital	County Economic Development Income Tax (CEDIT)
Cash and investments - beginning	\$ 3,495,625	\$ 77,158	\$ 74,431	\$ 173,673	\$ 1,247,759	\$ 4,730,700
Receipts:						
Taxes	2,390,443	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	83,297	-	13,318	48,132	-	3,700,442
Charges for services	640,498	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	31,399	-	-	-	754,823	4
Total receipts	3,145,637	-	13,318	48,132	754,823	3,700,446
Disbursements:						
Personal services	428,456	-	-	-	-	-
Supplies	76,199	-	-	-	-	-
Other services and charges	1,154,959	-	-	-	-	2,148,902
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	45,155	-	-	-	-	747,144
Utility operating expenses	-	-	-	-	-	-
Other disbursements	745,753	-	-	-	-	-
Total disbursements	2,450,522	-	-	-	-	2,896,046
Excess (deficiency) of receipts over (under) disbursements	695,115	-	13,318	48,132	754,823	804,400
Cash and investments - ending	\$ 4,190,740	\$ 77,158	\$ 87,749	\$ 221,805	\$ 2,002,582	\$ 5,535,100

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Cumulative Improvement-Cigarette Tax	Self-Insurance	Police Pension	Fire Pension	Court Costs Due County	LIT-Public Safety
Cash and investments - beginning	\$ 304,073	\$ 15,977,239	\$ (9,637)	\$ 109,024	\$ 2,986	\$ 4,328,664
Receipts:						
Taxes	-	-	33,889	33,889	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	47,867	-	3,538,700	2,344,625	-	3,999,871
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	9,414,544	-	1,095	12,687	-
Total receipts	47,867	9,414,544	3,572,589	2,379,609	12,687	3,999,871
Disbursements:						
Personal services	-	-	-	-	-	2,981,981
Supplies	-	-	-	-	-	-
Other services and charges	-	370,047	10,027	8,038	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	636,640
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	8,231,989	3,693,721	2,441,228	12,735	-
Total disbursements	-	8,602,036	3,703,748	2,449,266	12,735	3,618,621
Excess (deficiency) of receipts over (under) disbursements	47,867	812,508	(131,159)	(69,657)	(48)	381,250
Cash and investments - ending	\$ 351,940	\$ 16,789,747	\$ (140,796)	\$ 39,367	\$ 2,938	\$ 4,709,914

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Local Development Agreement	TIF US Gypsum	TIF Riley Plaza	Police Local Forfeitures	Redevelopment Rental	TIF Northtown Village Townhomes
Cash and investments - beginning	\$ 6,409,703	\$ 1,354,159	\$ 49,828	\$ 38,848	\$ 733,931	\$ 370,425
Receipts:						
Taxes	-	1,422,675	101,616	-	-	110,201
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	1,068,514	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	3,455,149	-	-	6,372	78,453	-
Total receipts	3,455,149	1,422,675	101,616	6,372	1,146,967	110,201
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	72,348	-
Other services and charges	492,327	217,835	-	-	946,348	297,961
Debt service - principal and interest	-	-	100,636	-	-	-
Capital outlay	249,465	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	4,005	-
Total disbursements	741,792	217,835	100,636	-	1,022,701	297,961
Excess (deficiency) of receipts over (under) disbursements	2,713,357	1,204,840	980	6,372	124,266	(187,760)
Cash and investments - ending	\$ 9,123,060	\$ 2,558,999	\$ 50,808	\$ 45,220	\$ 858,197	\$ 182,665

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Home Investment Partnership Program	Corporation Bond (Proceeds)	TIF Lakeside Garden	Public Works Revolving	Local Road and Bridge Grant	TIF Annex Allocation Area
Cash and investments - beginning	\$ 107,488	\$ 86,540	\$ 895,999	\$ -	\$ 2,361,411	\$ 175,552
Receipts:						
Taxes	-	-	405,948	-	-	475,685
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	4,879	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	315,633	-	-	9,158,064	-	-
Total receipts	320,512	-	405,948	9,158,064	-	475,685
Disbursements:						
Personal services	1,611	-	-	4,903,426	-	-
Supplies	-	-	-	823,297	-	-
Other services and charges	1,568	-	236,577	3,431,315	446,030	2,200
Debt service - principal and interest	-	-	-	-	-	359,719
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	25	229,280	-
Total disbursements	3,179	-	236,577	9,158,063	675,310	361,919
Excess (deficiency) of receipts over (under) disbursements	317,333	-	169,371	1	(675,310)	113,766
Cash and investments - ending	\$ 424,821	\$ 86,540	\$ 1,065,370	\$ 1	\$ 1,686,101	\$ 289,318

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Redevelopment Education	ARP-CV Local Fiscal Recovery	TIF Lakefront Alloc Area II	TIF Lakefront Alloc Area III	Supplemental Adult Probation Services	Federal Grants
Cash and investments - beginning	\$ 267,283	\$ 21,649,726	\$ 111,105	\$ -	\$ 72,121	\$ 44,038
Receipts:						
Taxes	-	-	134,246	12,714	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	10,292
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	9,612	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	502,657	-	-	-	-
Total receipts	-	502,657	134,246	12,714	9,612	10,292
Disbursements:						
Personal services	-	1,480,154	-	-	-	-
Supplies	-	-	-	-	5,848	-
Other services and charges	-	-	1,250	1,500	13,326	32,991
Debt service - principal and interest	-	-	109,300	-	-	-
Capital outlay	-	9,778,321	-	-	1,133	10,294
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	11,258,475	110,550	1,500	20,307	43,285
Excess (deficiency) of receipts over (under) disbursements	-	(10,755,818)	23,696	11,214	(10,695)	(32,993)
Cash and investments - ending	\$ 267,283	\$ 10,893,908	\$ 134,801	\$ 11,214	\$ 61,426	\$ 11,045

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	State Grants	Local Grants	Police Federal Forfeitures	Damage To City Property	Vital Records Fund	City Court Programs	EC Petty Cash Accts
Cash and investments - beginning	\$ 1,547,471	\$ 596,286	\$ 73,579	\$ 67,408	\$ 468,023	\$ 33,533	\$ 5,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	61,764	-	19,308	-	-	-	-
Charges for services	-	-	-	-	52,112	-	-
Fines and forfeits	-	-	-	-	-	11,038	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	325,000	101,450	2,290	-	4,139	3,204	17
Total receipts	386,764	101,450	21,598	-	56,251	14,242	17
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	5,581	1,965	-	12,973	1,273	-
Other services and charges	-	94,168	4,699	-	8,492	14,980	14
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	21,550	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	2,348	5,000	-	4,043	3,391	3
Total disbursements	-	102,097	33,214	-	25,508	19,644	17
Excess (deficiency) of receipts over (under) disbursements	386,764	(647)	(11,616)	-	30,743	(5,402)	-
Cash and investments - ending	\$ 1,934,235	\$ 595,639	\$ 61,963	\$ 67,408	\$ 498,766	\$ 28,131	\$ 5,000

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Lease Rental Payment	Communications Revolving	Gasoline Revolving	Redevelopment General	Payroll Withholding	Health Insurance
Cash and investments - beginning	\$ 664,758	\$ (13,467)	\$ (77,383)	\$ 856,879	\$ 5,115	\$ 546,263
Receipts:						
Taxes	1,412,890	-	-	341,492	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	28,707	-	-	10,266	-	-
Charges for services	-	-	-	28,500	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	95	209,360	571,561	509,948	63,329,713	5,151,931
Total receipts	1,441,692	209,360	571,561	890,206	63,329,713	5,151,931
Disbursements:						
Personal services	-	-	-	274,345	-	-
Supplies	-	-	574,052	3,116	-	-
Other services and charges	14,872	207,396	-	217,458	-	15,527
Debt service - principal and interest	1,771,129	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	479,557	63,324,887	5,135,944
Total disbursements	1,786,001	207,396	574,052	974,476	63,324,887	5,151,471
Excess (deficiency) of receipts over (under) disbursements	(344,309)	1,964	(2,491)	(84,270)	4,826	460
Cash and investments - ending	\$ 320,449	\$ (11,503)	\$ (79,874)	\$ 772,609	\$ 9,941	\$ 546,723

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Misc Employees Insurance	Worker's Compensation	City Clerk	ECSDWW Petty Cash	Sewage Utility Construction	Sewage Utility Bond and Interest
Cash and investments - beginning	\$ 82,652	\$ 8,554	\$ 694,797	\$ 5,000	\$ 2,868,806	\$ 571,232
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	3,064	528,849	211,723	1	147,395	1,240,262
Total receipts	3,064	528,849	211,723	1	147,395	1,240,262
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	231,392	801
Debt service - principal and interest	-	-	-	-	-	1,142,616
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	493,320	303,732	1	-	-
Total disbursements	-	493,320	303,732	1	231,392	1,143,417
Excess (deficiency) of receipts over (under) disbursements	3,064	35,529	(92,009)	-	(83,997)	96,845
Cash and investments - ending	\$ 85,716	\$ 44,083	\$ 602,788	\$ 5,000	\$ 2,784,809	\$ 668,077

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Sewage Debt Service Reserve	Sanitation Rainy Day	Sewage Utility Operating	Sewage Replacement Reserve	Storm Water Utility Operating	Sanitation
Cash and investments - beginning	\$ 1,000,484	\$ 123,145	\$ 2,625,872	\$ 2,019,198	\$ 2,594,506	\$ 13,867,687
Receipts:						
Taxes	-	-	-	-	-	9,992,270
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	73,366
Charges for services	-	-	6,351,296	-	1,274,015	183,234
Fines and forfeits	-	-	59,000	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	49,877	-	-	-
Other receipts	161,732	-	420,874	560,500	2,111,471	797,031
Total receipts	161,732	-	6,881,047	560,500	3,385,486	11,045,901
Disbursements:						
Personal services	-	-	2,109,413	-	560,965	27,709
Supplies	-	-	221,709	-	6,854	7,965
Other services and charges	-	-	2,755,000	208,017	727,002	888,553
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	754	95,049	176,096	1,100,804
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	3,080,251	-	2,022,838	8,148,784
Total disbursements	-	-	8,167,127	303,066	3,493,755	10,173,815
Excess (deficiency) of receipts over (under) disbursements	161,732	-	(1,286,080)	257,434	(108,269)	872,086
Cash and investments - ending	\$ 1,162,216	\$ 123,145	\$ 1,339,792	\$ 2,276,632	\$ 2,486,237	\$ 14,739,773

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Sanitation Recycling	Utilities Revolving	Water Utility Meter Deposit	Water Utility Operating	Water Tank Refurbishment	Water Utility Construction
Cash and investments - beginning	\$ 2,142,005	\$ -	\$ 311,926	\$ 84,017	\$ 246,194	\$ 810,808
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	6,669,555	-	-
Penalties	-	-	-	48,461	-	-
Other receipts	151,609	746,070	20,200	3,704,330	1,000,000	1,988,419
Total receipts	151,609	746,070	20,200	10,422,346	1,000,000	1,988,419
Disbursements:						
Personal services	-	746,070	-	1,845,363	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	121,419	-	60,020
Utility operating expenses	-	-	-	3,390,129	12,768	799,816
Other disbursements	-	-	18,168	5,387,646	1,000,000	-
Total disbursements	-	746,070	18,168	10,744,557	1,012,768	859,836
Excess (deficiency) of receipts over (under) disbursements	151,609	-	2,032	(322,211)	(12,768)	1,128,583
Cash and investments - ending	\$ 2,293,614	\$ -	\$ 313,958	\$ (238,194)	\$ 233,426	\$ 1,939,391

CITY OF EAST CHICAGO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

	Change Fund	Water Debt Service Reserve	Water Utility Bond and Interest	EC Marina	EC Marina Petty Cash Accts	Totals
Cash and investments - beginning	\$ 1,000	\$ 1,712,049	\$ 3,383,180	\$ 532,193	\$ 1,500	\$ 169,177,216
Receipts:						
Taxes	-	-	-	-	-	50,034,298
Licenses and permits	-	-	-	-	-	776,813
Intergovernmental receipts	-	-	-	-	-	31,171,341
Charges for services	-	-	-	953,292	-	11,050,698
Fines and forfeits	-	-	-	-	-	213,301
Utility fees	-	-	-	-	-	6,669,555
Penalties	-	-	-	-	-	98,338
Other receipts	-	84,216	3,718,175	31,230	385	114,779,808
Total receipts	-	84,216	3,718,175	984,522	385	214,794,152
Disbursements:						
Personal services	-	-	-	457,672	-	36,831,513
Supplies	-	-	-	80,844	-	2,632,625
Other services and charges	-	-	-	478,607	384	35,174,561
Debt service - principal and interest	-	-	3,483,370	-	-	6,966,770
Capital outlay	-	-	-	-	-	19,555,271
Utility operating expenses	-	-	-	-	-	4,202,713
Other disbursements	-	-	-	11,446	1	107,737,237
Total disbursements	-	-	3,483,370	1,028,569	385	213,100,690
Excess (deficiency) of receipts over (under) disbursements	-	84,216	234,805	(44,047)	-	1,693,462
Cash and investments - ending	\$ 1,000	\$ 1,796,265	\$ 3,617,985	\$ 488,146	\$ 1,500	\$ 170,870,678

CITY OF EAST CHICAGO
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2023

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 3,664,476	\$ 1,633,492
Sanitary District	2,242,933	634,570
Water	3,322,820	1,361,540
Marina	<u>33,444</u>	<u>-</u>
Totals	<u>\$ 9,263,673</u>	<u>\$ 3,629,602</u>

CITY OF EAST CHICAGO
 SCHEDULE OF LEASES AND DEBT
 December 31, 2023

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: East Chicago Municipal Building Corporation	Public Safety Facility	\$ 900,000	01/05/17	01/05/24
Total of annual lease payments		<u>\$ 900,000</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal Due Within One Year
Governmental activities:			
Revenue bonds	Economic Development Revenue Bonds Series 2020 (Chrome LLC Project)	\$ 1,575,000	\$ 50,000
Revenue bonds	Economic Development Revenue Bonds Series 2022 (East Chicago Rail Terminal Project)	1,260,000	15,000
Revenue bonds	Taxable Economic Development Revenue Bond Series 2007A Riley Plaza Project	635,000	115,000
Revenue bonds	Taxable Economic Development Revenue Bonds Series 2015 (Hoist Lift Mfg.)	<u>1,610,000</u>	<u>285,000</u>
Total governmental activities		<u>5,080,000</u>	<u>465,000</u>
Sanitary District:			
Revenue bonds	Sanitary District Revenue Bonds Series 2015 Improvements to Wastewater Plant	9,010,000	615,000
Revenue bonds	Sanitary District Revenue Bonds Series 2022 to payoff 2020 Bond Anticipation Notes and pay costs of issuance	<u>7,945,000</u>	<u>34,000</u>
Total Sanitary District		<u>16,955,000</u>	<u>649,000</u>
Water:			
Revenue bonds	State Revolving Fund (SRF) Loan 2006 New Water Filtration Plant	4,590,000	1,075,000
Revenue bonds	State Revolving Fund (SRF) Loan 2009 New Water Filtration Plant	10,220,000	1,590,000
Revenue bonds	State Revolving Fund (SRF) Loan 2017 Meter Replacement Modeling Software Engineering Costs	3,842,000	11,000
Revenue bonds	State Revolving Fund (SRF) Loan 2018A Lead Replacement Costs Bond Issuance Costs	3,052,000	42,000
Revenue bonds	State Revolving Fund (SRF) Loan 2018B Two Water Storage Tanks Meter Installation Fire Hydrants Water Filling Station	10,875,000	155,000
Revenue bonds	Waterworks District Revenue Bond Anticipation Notes Series 2023 to Finance Engineering Fees and Non-Construction Costs for Water Projects	<u>1,890,000</u>	<u>1,890,000</u>
Total Water		<u>34,469,000</u>	<u>4,763,000</u>
Totals		<u>\$ 56,504,000</u>	<u>\$ 5,877,000</u>

CITY OF EAST CHICAGO
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2023

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 5,493,594
Infrastructure	77,270,930
Buildings	66,964,820
Improvements other than buildings	41,475,465
Machinery, equipment, and vehicles	17,214,986
Construction in progress	18,656,921
Other non-depreciable assets	<u>1,730,705</u>
Total governmental activities	<u>228,807,421</u>
Sanitary District:	
Land	885,268
Buildings	25,254,141
Improvements other than buildings	31,445,211
Machinery, equipment, and vehicles	13,068,302
Construction in progress	<u>27,867,396</u>
Total Sanitary District	<u>98,520,318</u>
Water:	
Land	1,749,859
Buildings	76,447,107
Improvements other than buildings	29,466,460
Machinery, equipment, and vehicles	1,016,166
Construction in progress	<u>4,106,497</u>
Total Water	<u>112,786,089</u>
Marina:	
Land	1,020,000
Buildings	13,476,075
Improvements other than buildings	2,105,794
Machinery, equipment, and vehicles	<u>754,350</u>
Total Marina	<u>17,356,219</u>
Total capital assets	<u>\$ 457,470,047</u>

OTHER REPORTS

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