

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

FINANCIAL STATEMENT  
EXAMINATION REPORT  
OF

NORTHWEST INDIANA HEALTH  
DEPARTMENT COOPERATIVE  
LAKE COUNTY, INDIANA

January 1, 2015 to December 31, 2015



**FILED**  
01/26/2018



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SCHEDULE OF OFFICIALS

| <u>Office</u>          | <u>Official</u>                            | <u>Term</u>                                  |
|------------------------|--|--|
| Project Director       | Rise Ratney                                | 01-01-15 to 12-31-17                         |
| Executive Director     | Dr. Roland Walker                          | 01-01-15 to 12-31-17                         |
| Fiscal Officer         | M. Celita Green                            | 01-01-15 to 12-31-17                         |
| President of the Board | Roosevelt Allen, Jr.<br>Kyle W. Allen, Sr. | 01-01-15 to 12-31-15<br>01-01-16 to 12-31-17 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NORTHWEST INDIANA HEALTH  
DEPARTMENT COOPERATIVE, LAKE COUNTY, INDIANA

We have examined the accompanying financial statement of the Northwest Indiana Health Department Cooperative (Cooperative), for the period of January 1, 2015 to December 31, 2015. The Cooperative's management is responsible for the fair presentation of this financial statement in accordance with the prescribed basis of accounting described in Note 1. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the financial statement is in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the financial statement. The nature, timing, and extent of the procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.


As discussed in Note 1 to the financial statement, the Cooperative 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 comprehensive 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 these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter described in the preceding paragraph, the financial statement for the period of January 1, 2015 to December 31, 2015, referred to above, does not present, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Cooperative.

INDEPENDENT ACCOUNTANT'S REPORT  
(Continued)

In our opinion, the financial statement for the period of January 1, 2015 to December 31, 2015, referred to above, presents the financial position and results of operations of the Cooperative based on the prescribed basis of accounting described in Note 1 to the financial statement, in all material respects.

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

  
Paul D. Joyce, CPA  
State Examiner

December 19, 2017

## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

| Fund                       | Cash and<br>Investments<br>01-01-15 | Receipts          | Disbursements     | Cash and<br>Investments<br>12-31-15 |
|----------------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Elimination of Disparities | \$ (6,029)                          | \$ 713,739        | \$ 732,124        | \$ (24,414)                         |
| Tobacco                    | (39,166)                            | 120,721           | 95,142            | (13,587)                            |
| Healthy Start Donations    | 1,700                               | -                 | -                 | 1,700                               |
| Totals                     | <u>\$ (43,495)</u>                  | <u>\$ 834,460</u> | <u>\$ 827,266</u> | <u>\$ (36,301)</u>                  |

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

NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

The Northwest Indiana Health Department Cooperative (Cooperative) was established under the laws of the State of Indiana. The Cooperative operates under an appointed governing board.

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

*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:

*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: 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.

*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.

NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

*F. Fund Accounting*

Separate funds are established, maintained, and reported by the Cooperative. 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 Cooperative. 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 Cooperative in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Cooperative 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 3. Risk Management**

The Cooperative 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.

NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 Cooperative 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 4. Pension Plan**

*Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the Cooperative authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and 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. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

**Note 5. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the Cooperative were not received by December 31, 2015.

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#### OTHER INFORMATION - UNEXAMINED

The Cooperative's Annual Financial Report information can be found on the Gateway 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 Cooperative's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

|   | Elimination<br>of<br>Disparities | Tobacco            | Healthy<br>Start<br>Donations | Totals             |
|---|----------------------------------|--------------------|-------------------------------|--------------------|
| Cash and investments - beginning                      | \$ (6,029)                       | \$ (39,166)        | \$ 1,700                      | \$ (43,495)        |
| Receipts:   |                                  |                    |                               |                    |
| Intergovernmental receipts                            | 713,738                          | 120,721            | -                             | 834,459            |
| Other receipts  | <u>1</u>                         | <u>-</u>           | <u>-</u>                      | <u>1</u>           |
| Total receipts  | <u>713,739</u>                   | <u>120,721</u>     | <u>-</u>                      | <u>834,460</u>     |
| Disbursements:  |                                  |                    |                               |                    |
| Personal services                                     | 618,657                          | 77,267             | -                             | 695,924            |
| Supplies  | 2,804                            | 325                | -                             | 3,129              |
| Other services and charges                            | <u>110,663</u>                   | <u>17,550</u>      | <u>-</u>                      | <u>128,213</u>     |
| Total disbursements                                   | <u>732,124</u>                   | <u>95,142</u>      | <u>-</u>                      | <u>827,266</u>     |
| Excess (deficiency) of receipts over<br>disbursements | <u>(18,385)</u>                  | <u>25,579</u>      | <u>-</u>                      | <u>7,194</u>       |
| Cash and investments - ending                         | <u>\$ (24,414)</u>               | <u>\$ (13,587)</u> | <u>\$ 1,700</u>               | <u>\$ (36,301)</u> |

NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2015

| <u>Government or Enterprise</u> | <u>Accounts<br/>Payable</u> | <u>Accounts<br/>Receivable</u> |
|---------------------------------|-----------------------------|--------------------------------|
| Governmental activities         | <u>\$ 39,870</u>            | <u>\$ 58,387</u>               |

NORTHWEST INDIANA HEALTH DEPARTMENT COOPERATIVE  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2015

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.

|                                    | <u>Ending<br/>Balance</u> |
|------------------------------------|---------------------------|
| Governmental activities:           |                           |
| Machinery, equipment, and vehicles | <u>\$ 28,092</u>          |

#### OTHER REPORTS

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