

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

FINANCIAL STATEMENTS EXAMINATION REPORT
OF
LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
LAKE COUNTY, INDIANA
January 1, 2013 to December 31, 2016



FILED
05/10/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Dan Repay	01-01-13 to 12-31-18
Treasurer	Anthony Broadnax Tom Gozdecki	01-01-13 to 12-31-13 01-01-14 to 12-31-18
President of the District Board	William Baker	01-01-13 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of the Little Calumet River Basin Development Commission (District), for the period of January 1, 2013 to December 31, 2016. The District's management is responsible for the fair presentation of these financial statements in accordance with the prescribed basis of accounting described in Note 1. Our responsibility is to express an opinion on the financial statements 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 statements are in accordance with the criteria, in all material respects. An examination involves performing procedures to obtain evidence about the financial statements. 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 statements, 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.

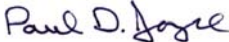
As discussed in Note 1 to the financial statements, the District prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements 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 statements for the period of January 1, 2013 to December 31, 2016, referred to above, do not present, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the District.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

In our opinion, the financial statements for the period of January 1, 2013 to December 31, 2016, referred to above, present the financial position and results of operations of the District based on the prescribed basis of accounting described in Note 1 to the financial statements, in all material respects.

Our examination was conducted for the purpose of forming an opinion on the District's financial statements. The Combining Schedules 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, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

February 13, 2018

FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
General Fund	\$ 97,858	\$ 5,818,363	\$ 265,390	\$ 5,650,831	\$ 7,468,217	\$ 4,493,157	\$ 8,625,891
Maintenance Fee Fund	-	6,537,988	6,537,988	-	-	-	-
Corps Escrow Construction Fund	99,120	100	-	99,220	35	-	99,255
Land Acquisition Fund	1,339,995	1,524,227	2,864,222	-	-	-	-
Little Calumet Savings	<u>240,327</u>	<u>50</u>	<u>240,377</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 1,777,300</u>	<u>\$ 13,880,728</u>	<u>\$ 9,907,977</u>	<u>\$ 5,750,051</u>	<u>\$ 7,468,252</u>	<u>\$ 4,493,157</u>	<u>\$ 8,725,146</u>

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

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Years Ended December 31, 2015 and 2016

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15	Receipts	Disbursements	Cash and Investments 12-31-16
General Fund	\$ 8,625,891	\$ 7,416,811	\$ 4,975,585	\$ 11,067,117	\$ 7,465,791	\$ 6,332,402	\$ 12,200,506
Hobart Marsh Mitigation	-	-	-	-	1,002,612	-	1,002,612
Corps Escrow Construction Fund	99,255	30	-	99,285	78	-	99,363
Totals	<u>\$ 8,725,146</u>	<u>\$ 7,416,841</u>	<u>\$ 4,975,585</u>	<u>\$ 11,166,402</u>	<u>\$ 8,468,481</u>	<u>\$ 6,332,402</u>	<u>\$ 13,302,481</u>

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

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The District was established under the laws of the State of Indiana. The District operates under a governing board.

The accompanying financial statements present the financial information for the District.

B. Basis of Accounting

The financial statements are 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 Investment

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 statements. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income 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 District.

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.

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.

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. 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 District. It includes all expenditures for the reduction of the principal and interest of the District's general obligation indebtedness.

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

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 District 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 District. 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 District. 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 District 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.

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 2. Budgets

The operating budget is initially prepared and approved at the local level.

Note 3. Special Assessment

The District receives special assessments imposed under Indiana Code 14-13-2-18.5 against each taxable parcel of real property within the watershed of the Little Calumet River and Burns Waterway in Lake County.

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 District 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 District 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 District to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

OTHER INFORMATION - UNEXAMINED

The District's Annual Financial Reports 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 statements contained in this report and the financial information presented in the District's Annual Financial Reports 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 District. It is presented as intended by the District.

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LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	General Fund	Maintenance Fee Fund	Corps Escrow Construction Fund	Land Acquisition Fund	Little Calumet Savings	Totals
Cash and investments - beginning	\$ 97,858	\$ -	\$ 99,120	\$ 1,339,995	\$ 240,327	\$ 1,777,300
Receipts:						
Taxes	4,594,391	6,534,690	-	-	-	11,129,081
Charges for services	187,470	-	-	1,524,207	-	1,711,677
Other receipts	1,036,502	3,298	100	20	50	1,039,970
Total receipts	5,818,363	6,537,988	100	1,524,227	50	13,880,728
Disbursements:						
Supplies	7,059	-	-	-	-	7,059
Other services and charges	258,331	-	-	1,935,536	-	2,193,867
Debt service - principal and interest	-	2,430,000	-	-	-	2,430,000
Capital outlay	-	-	-	135,652	-	135,652
Other disbursements	-	4,107,988	-	793,034	240,377	5,141,399
Total disbursements	265,390	6,537,988	-	2,864,222	240,377	9,907,977
Excess (deficiency) of receipts over disbursements	5,552,973	-	100	(1,339,995)	(240,327)	3,972,751
Cash and investments - ending	\$ 5,650,831	\$ -	\$ 99,220	\$ -	\$ -	\$ 5,750,051

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014

	General Fund	Maintenance Fee Fund	Corps Escrow Construction Fund	Land Acquisition Fund	Little Calumet Savings	Totals
Cash and investments - beginning	\$ 5,650,831	\$ -	\$ 99,220	\$ -	\$ -	\$ 5,750,051
Receipts:						
Taxes	7,232,329	-	-	-	-	7,232,329
Charges for services	190,096	-	-	-	-	190,096
Other receipts	45,792	-	35	-	-	45,827
Total receipts	<u>7,468,217</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>7,468,252</u>
Disbursements:						
Personal services	131,630	-	-	-	-	131,630
Supplies	10,116	-	-	-	-	10,116
Other services and charges	2,787,542	-	-	-	-	2,787,542
Debt service - principal and interest	1,460,030	-	-	-	-	1,460,030
Capital outlay	5,380	-	-	-	-	5,380
Other disbursements	98,459	-	-	-	-	98,459
Total disbursements	<u>4,493,157</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,493,157</u>
Excess (deficiency) of receipts over disbursements	<u>2,975,060</u>	<u>-</u>	<u>35</u>	<u>-</u>	<u>-</u>	<u>2,975,095</u>
Cash and investments - ending	<u>\$ 8,625,891</u>	<u>\$ -</u>	<u>\$ 99,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,725,146</u>

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2015

	General Fund	Hobart Marsh Mitigation	Corps Escrow Construction Fund	Totals
Cash and investments - beginning	\$ 8,625,891	\$ -	\$ 99,255	\$ 8,725,146
Receipts:				
Taxes	7,181,502	-	-	7,181,502
Charges for services	181,739	-	-	181,739
Other receipts	53,570	-	30	53,600
Total receipts	<u>7,416,811</u>	<u>-</u>	<u>30</u>	<u>7,416,841</u>
Disbursements:				
Personal services	161,523	-	-	161,523
Supplies	14,323	-	-	14,323
Other services and charges	3,563,530	-	-	3,563,530
Debt service - principal and interest	920,000	-	-	920,000
Capital outlay	215,200	-	-	215,200
Other disbursements	101,009	-	-	101,009
Total disbursements	<u>4,975,585</u>	<u>-</u>	<u>-</u>	<u>4,975,585</u>
Excess (deficiency) of receipts over disbursements	<u>2,441,226</u>	<u>-</u>	<u>30</u>	<u>2,441,256</u>
Cash and investments - ending	<u>\$ 11,067,117</u>	<u>\$ -</u>	<u>\$ 99,285</u>	<u>\$ 11,166,402</u>

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General Fund	Hobart Marsh Mitigation	Corps Escrow Construction Fund	Totals
Cash and investments - beginning	\$ 11,067,117	\$ -	\$ 99,285	\$ 11,166,402
Receipts:				
Taxes	7,214,507	-	-	7,214,507
Charges for services	190,677	-	-	190,677
Other receipts	<u>60,607</u>	<u>1,002,612</u>	<u>78</u>	<u>1,063,297</u>
Total receipts	<u>7,465,791</u>	<u>1,002,612</u>	<u>78</u>	<u>8,468,481</u>
Disbursements:				
Personal services	165,655	-	-	165,655
Supplies	11,311	-	-	11,311
Other services and charges	4,383,758	-	-	4,383,758
Debt service - principal and interest	690,000	-	-	690,000
Other disbursements	<u>1,081,678</u>	<u>-</u>	<u>-</u>	<u>1,081,678</u>
Total disbursements	<u>6,332,402</u>	<u>-</u>	<u>-</u>	<u>6,332,402</u>
Excess (deficiency) of receipts over disbursements	<u>1,133,389</u>	<u>1,002,612</u>	<u>78</u>	<u>2,136,079</u>
Cash and investments - ending	<u>\$ 12,200,506</u>	<u>\$ 1,002,612</u>	<u>\$ 99,363</u>	<u>\$ 13,302,481</u>

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 418,752</u>	<u>\$ 8,342</u>

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
 SCHEDULE OF LEASES AND DEBT
 December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Sandoak Office Plaza	Office space lease	\$ 18,188	1/1/2016	12/31/2016
U.S. Bank Equipment Finance	Copier lease	<u>2,832</u>	3/16/2016	6/16/2019
Total governmental activities		<u>21,020</u>		
Total of annual lease payments		<u>\$ 21,020</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Notes and loans payable	Regional Development Authority loan	<u>\$ 500,000</u>	<u>\$ 500,000</u>
Totals		<u>\$ 500,000</u>	<u>\$ 500,000</u>

LITTLE CALUMET RIVER BASIN DEVELOPMENT COMMISSION
SCHEDULE OF CAPITAL ASSETS
December 31, 2016

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 Balance</u>
Governmental activities:	
Land	\$ <u>4,567,913</u>
Total capital assets	\$ <u><u>4,567,913</u></u>

OTHER REPORTS

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