

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

COMPLIANCE ENGAGEMENT REPORT

OF

LAKE GEORGE REGIONAL SEWER DISTRICT

STEBEN COUNTY, INDIANA

January 1, 2019 to December 31, 2022



**FILED**  
02/27/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Jon Finkbeiner Sam Bender Gary Davis	01-01-19 to 08-10-21 08-11-21 to 03-09-22 03-10-22 to 12-31-24
President of the District Board	Bob Shirey Greg Didier	01-01-19 to 05-11-22 05-12-22 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE LAKE GEORGE REGIONAL  
SEWER DISTRICT, STEUBEN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Lake George Regional Sewer District (District), for the period of January 1, 2019 to December 31, 2022. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the District as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body and, as such, we do not provide any opinions on compliance or financial activity.

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

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

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

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

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

The contents of this report were communicated to Gary Davis, Treasurer, and Rick Altekruise, District Board member, on February 14, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

February 7, 2024

LAKE GEORGE REGIONAL SEWER DISTRICT  
COMMENTS

***ADOPTION OF, AND TRAINING ON, INTERNAL CONTROL STANDARDS***

A similar comment also appeared in prior Report B53745, entitled *ADOPTION AND TRAINING OF INTERNAL CONTROLS*.

*Condition and Context*

The District had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

District officers and employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the District, had not received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

*Criteria*

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

***CERTIFICATION ON INTERNAL CONTROL STANDARDS***

A similar comment also appeared in prior Report B53745, entitled *CERTIFICATION ON INTERNAL CONTROL STANDARDS*.

*Condition and Context*

The District certified on the Indiana Gateway for Government Units financial reporting system for 2019-2022 that it had adopted the minimum internal control standards as required by Indiana Code 5-11-1-27(e) and that personnel defined by Indiana Code 5-11-1-27(c) received training concerning the internal control standards adopted by the District. However, during the engagement, evidence of the adopted standards or completed training was not provided.

*Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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

LAKE GEORGE REGIONAL SEWER DISTRICT  
 STATEMENT OF RECEIPTS, DISBURSEMENTS,  
 AND CASH AND INVESTMENT BALANCES -  
 REGULATORY BASIS  
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Sewer Improvement	\$ 663,435	\$ 119,384	\$ 138,080	\$ 644,739	\$ 37,178	\$ 91,600	\$ 590,317
Sewer Operating	10,767	290,000	295,777	4,990	315,000	312,521	7,469
Sewer Operating & Maint Reserve	32,000	-	-	32,000	-	-	32,000
Sewer Revenue Lock Box	15,697	244,943	254,312	6,328	262,626	258,827	10,127
Totals	<u>\$ 721,899</u>	<u>\$ 654,327</u>	<u>\$ 688,169</u>	<u>\$ 688,057</u>	<u>\$ 614,804</u>	<u>\$ 662,948</u>	<u>\$ 639,913</u>

LAKE GEORGE REGIONAL SEWER DISTRICT  
STATEMENT OF RECEIPTS, DISBURSEMENTS,  
AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Sewer Improvement	\$ 590,317	\$ 108,456	\$ 92,447	\$ 606,326	\$ 117,817	\$ 53,635	\$ 670,508
Sewer Operating	7,469	304,000	306,240	5,229	314,000	296,049	23,180
Sewer Operating & Maint Reserve	32,000	-	-	32,000	-	32,000	-
Sewer Revenue Lock Box	10,127	350,492	333,061	27,558	402,499	372,154	57,903
Totals	<u>\$ 639,913</u>	<u>\$ 762,948</u>	<u>\$ 731,748</u>	<u>\$ 671,113</u>	<u>\$ 834,316</u>	<u>\$ 753,838</u>	<u>\$ 751,591</u>

Lake George Regional Sewer District  
50 Industrial Drive  
Angola, IN 46703

2024-02-22

State Board of Accounts  
302 West Washington Street, Room E 418  
Indianapolis, IN 46204-2765  
officialresponse@sboa.in.gov

Subject: OFFICIAL RESPONSE

Reference: LGRSD Acknowledgement of Decision for Official Response to Exit Conference Findings dated 2024-02-14

Field Examiner: Mr Steve Poor

To whom it may concern,

Based on the Compliance Comments presented on 2024-02-14, the LGRSD Board of Trustees (BoT) have completed the following:

- (1) The LGRSD Annual Financial Report as previously submitted to the Indiana Gateway system, was revised on Saturday, 2024-02-17 to indicate that IC 5-11-1-27 had not yet been adopted by the LGRSD nor had the BoT completed the required training. The Gateway System accepted our AFR re-submission per an email received from no-reply-ibrc@iu.edu on 2/17/2024 10:58:46 AM.
- (2) During our BoT Meeting on February 21, 2024, the motion was made, 2<sup>nd</sup>, and passed to adopt Indiana Code 5-11-1-27.
- (3) Also at our BoT meeting on February 21, 2024, the six Trustees present and our System Superintendent participated in the SBOA Internal Controls Overview 30-minute video. The one absent Trustee viewed the video earlier on the same day.
- (4) Over the past year, all Trustees & our Systems Superintendent have participated in our training on our Financial Internal Controls (Income Analysis, Expense Pareto, & Non-Fixed Asset Status) and in training on our LGRSD Internal Controls Overview which addresses all 5 Components & 17 Principals of Internal Control.

THUS, THE LAKE GEORGE REGIONAL SEWER DISTRICT HAS NOW ADOPTED THE IC 5-11-1-27 INTERNAL CONTROLS STANDARD AND ALL LGRSD BOARD OF TRUSTEES HAVE COMPLETED TRAINING ON THE INTERNAL CONTROLS STANDARD. ADDITIONALLY, ALL TRUSTEES AND OUR SYSTEM SUPERINTENDENT HAVE COMPLETED AND SIGNED THE INTERNAL CONTROLS TRAINING CERTIFICATION.

Please advise if additional information is required.

Kind regards,



Gary Davis  
LGRSD Treasurer