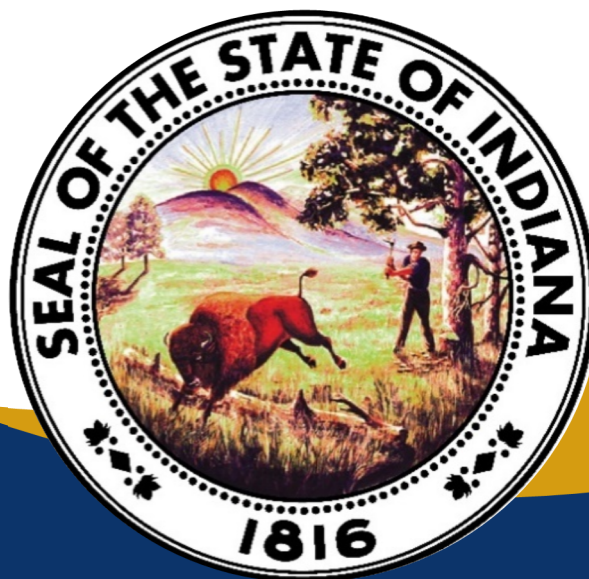


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE EXAMINATION REPORT
OF
WEST LAKES REGIONAL SEWER DISTRICT
NOBLE COUNTY, INDIANA
January 1, 2022 to December 31, 2023



FILED
12/03/2024



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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December 3, 2024

Board of Directors
West Lakes Regional Sewer District
Noble County, Indiana

This report is supplemental to the audit report of West Lakes Regional Sewer District (District), for the period from January 1, 2022 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any findings that pertain to the District. It should be read in conjunction with the financial statement audit report of the District, which provides an opinion on the District's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the District and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report of West Lakes Regional Sewer District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2023. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on page 3.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

WEST LAKES REGIONAL SEWER DISTRICT

Noble County, Indiana
January 1, 2022 through December 31, 2023

CONTENTS

SCHEDULE OF OFFICIALS	1
INDEPENDENT ACCOUNTANT'S REPORT	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2023-001: SCHEDULES IN ANNUAL FINANCIAL REPORT – LEASES AND DEBT	3
2023-002: SCHEDULES IN ANNUAL FINANCIAL REPORT – CAPITAL ASSETS	3
EXIT CONFERENCE	4

WEST LAKES REGIONAL SEWER DISTRICT
SCHEDULE OF OFFICIALS
January 1, 2022 through December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Charlene Bock	01-01-22 to 12-31-23
President of the District Board	Daryl Miter	01-01-22 to 12-31-23

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the West Lakes Regional Sewer District

We have examined the West Lakes Regional Sewer District ("District") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts* during the period January 1, 2022 through December 31, 2023. Management of the District is responsible for the District's compliance with the specified requirements. Our responsibility is to express an opinion on the District's compliance with the specified requirements 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 District complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the District complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Unit's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual For Special Districts* applicable to the District during the period of January 1, 2022 through December 31, 2023, as described in items 2023-001 and 2023-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the District complied, in all material respects, with the aforementioned requirements during the period of January 1, 2022 through December 31, 2023.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
October 24, 2024

WEST LAKES REGIONAL SEWER DISTRICT
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2022 through December 31, 2023

FINDING 2023-001: SCHEDULES IN ANNUAL FINANCIAL REPORT – LEASES AND DEBT

Criteria: Indiana Code 5-11-1-4(a) states, *"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."*

Condition: During our examination procedures, we noted the Schedule of Leases and Debt in the Annual Financial Report, as reported on the Indiana Gateway for Government Units financial reporting system, contained the following errors:

- The District reported \$3,299,641 in outstanding principal loan balance for the Sewage Refunding Revenue Bonds of 2016 which did not agree to the underlying loan amortization schedule amount of \$3,284,412.
- For the 2020 State Revolving Fund Sewer Loan, the District reported \$62,000 in outstanding principal loan balance which did not agree to the underlying loan amortization schedule amount of \$58,000.
- For the 2020 State Revolving Fund Sewer Loan, the District reported \$3,150 as principal due within one year which did not agree to the underlying loan amortization schedule amount of \$2,000.

A similar comment appeared in the prior year report, B60328.

FINDING 2023-002: SCHEDULES IN ANNUAL FINANCIAL REPORT – CAPITAL ASSETS

Criteria: Indiana Code 5-11-1-4(a) states, *"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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."*

Condition: During our examination procedures, we noted the Schedule of Capital Assets in the Annual Financial Report, as reported on the Indiana Gateway for Government Units financial reporting system, contained errors. The District reported \$6,908,493 in capital assets which did not agree to the underlying capital asset ledger amount of \$6,922,059.

A similar comment appeared in the prior year report, B60328.

WEST LAKES REGIONAL SEWER DISTRICT
EXIT CONFERENCE
January 1, 2022 through December 31, 2023

The contents of this report were discussed on October 24, 2024 with Carrie Chavis, Fiscal Officer, and Bob Kyser, Board President.