

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
TWIN LAKES REGIONAL SEWER DISTRICT
WHITE COUNTY, INDIANA
January 1, 2014 to December 31, 2016



FILED
12/13/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Michael Darter	01-01-14 to 12-31-17
Office and Financial Manager	James Crawn (Vacant) Jacqueline Franklin	01-01-14 to 05-06-15 05-07-15 to 07-12-15 07-13-15 to 12-31-17
Treasurer	Jamie Rough Larry Holderly Otto R. Leis	01-01-14 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-17
President of the Board of Trustees	John A. Mitchell Lynn Wilson	01-01-14 to 12-31-14 01-01-15 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TWIN LAKES REGIONAL SEWER DISTRICT, WHITE COUNTY, INDIANA

This report is supplemental to our examination report of the Twin Lakes Regional Sewer District (District), for the period from January 1, 2014 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the District. It should be read in conjunction with our Financial Statements Examination Report of the District, which provides our 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 performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Result and Comment contained herein describes the identified reportable instance of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Result and Comment, incorporated within this report, was not verified for accuracy.

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

December 12, 2017

TWIN LAKES REGIONAL SEWER DISTRICT
EXAMINATION RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

The Annual Financial Report (AFR) submitted on the Indiana Gateway for government units financial reporting system (Gateway) for the year 2015 was filed 365 days after the due date.

The AFR information submitted on Gateway for the years 2014, 2015, and 2016 did not match the records of the District, as follows:

1. The Sewer Debt Service Reserve fund was omitted from the 2014 AFR. The fund had a beginning balance of \$1,966,438 and an ending balance of \$0.
2. The receipts and disbursements reported for 2015 and 2016 reflected only the month of December. As a result, the total receipts for those years were understated by \$77,064,463 and \$7,639,201, respectively. The total disbursements for those years were understated by \$70,585,457 and \$5,304,205 respectively.
3. Beginning cash and investment balances for 2016 AFR did not agree with ending balances for the 2015 AFR and neither amount agreed with the District's accounting records.
4. The ending cash and investment balances for 2015 and 2016 were understated by \$6,479,005 and \$6,369,939, respectively.
5. The outstanding balance of the 2015 refunding bonds was omitted from the debt schedule reported for both the 2015 and 2016 AFR. The balances were \$36,950,000 and \$36,155,000 for those years, respectively.

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."

TWIN LAKES REGIONAL SEWER DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on December 12, 2017, with Otto R. Leis, Treasurer; Michael Darter, Superintendent; and Jacqueline Franklin, Office and Financial Manager.