



STATE OF INDIANA
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March 11, 2019

Board of Trustees
Steuben Lakes Regional Waste District
8119 W 150 N
Angola, IN 46703

This report is supplemental to the audit report of the Steuben Lakes Regional Waste District (District), for the period from January 1, 2017 to December 31, 2017. It has been provided as a separate report so that the reader may easily identify any Examination 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 Audit Report for Steuben Lakes Regional Waste District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report. Page 3 contains two Examination Findings and Results.

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

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

**COMPLIANCE EXAMINATION OF
STEUBEN LAKES REGIONAL WASTE DISTRICT**

Steuben County, Indiana
January 1, 2017 to December 31, 2017

STEUBEN LAKES REGIONAL WASTE DISTRICT

Steuben County, Indiana
January 1, 2017 to December 31, 2017

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STEUBEN LAKES REGIONAL WASTE DISTRICT
SCHEDULE OF OFFICIALS
January 1, 2017 to December 31, 2017

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Timothy Frederick	01-01-17 to 12-31-17
Secretary/Treasurer	James Kidd	01-01-17 to 12-31-17
President of the Board of Trustees	Rob Moreland	01-01-17 to 12-31-17

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of Stueben Lakes Regional Waste District


We have examined Stueben Lakes Regional Waste District's ("Unit") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Special Districts* during the period January 1, 2017 to December 31, 2017. Management of the Unit is responsible for the Unit's compliance with the specified requirements. Our responsibility is to express an opinion on the Unit'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 Unit complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Unit 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 opinion.

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 Unit during the period January 1, 2017 to December 31, 2017, as described in items 2018-001 and 2018-002 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Unit complied, in all material respects, with the aforementioned requirements during the period January 1, 2017 to December 31, 2017.


Crowe LLP

Indianapolis, Indiana
December 21, 2018

STEUBEN LAKES REGIONAL WASTE DISTRICT
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2017 to December 31, 2017

FINDING 2018-001: APPROVAL OF TRANSFERS

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, Uniform Internal Control Standards for Indiana Political Subdivisions. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual: "Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes."

Condition: During testing, we noted that there was no review or approval of transfers between funds for the period under audit. Transfers in and out totaled \$13,504,474 during the year under audit.

FINDING 2018-002: OTHER RECEIPTS AND DISBURSEMENTS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual states in part, "At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee."

Condition: During testing, we noted that Bond Fund other receipts and other disbursements were overstated due to internal transfers. The transfers were performed to true up the Unit's general ledger to various cash and certificate of deposit accounts and were not true receipts nor disbursements of funds. An adjusting entry which reduced other receipts and disbursements by \$860,000 was posted to correct this.

STEUBEN LAKES REGIONAL WASTE DISTRICT
EXIT CONFERENCE
January 1, 2017 to December 31, 2017

The contents of this report were discussed on December 21, 2018, with Bryan Klein, Superintendent, Tina Ryan, Senior Accounting and Billing Clerk, Rob Moreland, President of the Board, Jessica Bird, Director of Administration, Robert Corder, Board Member, and Bruce Boxberger, Legal Advisor.