



STATE OF INDIANA
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December 31, 2020

Board of Trustees
Twin Lakes Regional Sewer District
921 W Executive Court
Monticello, IN 47960

This report is supplemental to the audit report of the Twin Lakes Regional Sewer District (District), for the period from January 1, 2018 to December 31, 2019. 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 Twin Lakes Regional Sewer District prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2018 to December 31, 2019. 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 finding in the report. Page 3 contains one Examination Finding and Result. Management's response appears on page 5.

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
TWIN LAKES REGIONAL SEWER DISTRICT**

White County, Indiana
January 1, 2018 to December 31, 2019

TWIN LAKES REGIONAL SEWER DISTRICT

White County, Indiana
January 1, 2018 to December 31, 2019

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TWIN LAKES REGIONAL SEWER DISTRICT
SCHEDULE OF OFFICIALS
January 1, 2018 to December 31, 2019

<u>Office</u>	<u>Official</u>	<u>Term</u>
Superintendent	Michael Darter	01-01-18 to 12-31-19
Office and Financial Manager	Jacqueline Franklin	01-01-18 to 12-31-19
Treasurer	Donald Koleszar	01-01-18 to 12-31-19
President of the Board of Trustees	Jamie Rough	01-01-18 to 12-31-19

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined Twin Lakes Regional Sewer 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, 2018 to December 31, 2019. 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 qualified 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, 2018 to December 31, 2019, as described in item 2019-001 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, 2018 to December 31, 2019.

The Unit's response to the finding identified in our examination is described in the accompanying Schedule of Examination Findings and Results. The Unit's response was not subjected to the procedures applied in the examination of compliance and, accordingly, we express no opinion on it.


Crowe LLP

Indianapolis, Indiana
December 22, 2020

TWIN LAKES REGIONAL SEWER DISTRICT
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2018 to December 31, 2019

FINDING 2019-001: ANNUAL FINANCIAL REPORT ADJUSTMENTS

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 testing, we noted that the 2018 Annual Financial Reports submitted had not be properly verified and reconciled to ensure accuracy. Crowe noted a significant variance between the ending 2017 cash balance and the initial beginning 2018 cash balance reported on the annual financial report submitted to Gateway. An entry was posted to correct the beginning balance of the 2019 Annual Financial Report. We noted this is a repeat of finding 2018-001 in report B51767.

Additionally, purchases and sales of certificates of deposit within the Capital Improvement Fund were not appropriately reflected within the receipts, disbursements, and ending balances and interest and dividend receipts were not recorded on the Debt Service Reserve Fund in 2019 of the annual financial report.

Adjustments were posted related to these matter as follows:

- Reduction of 2018 Capital Improvement Fund receipts and disbursements of \$1,750,020. No net impact on ending balance.
- Reduction of 2019 Capital Improvement Fund receipts of \$3,557,453 and disbursements of \$3,790,020. Net impact on ending balance of an increase of \$232,567.
- Increase of 2019 Debt Service Reserve Fund receipts of \$179,486 with a net impact on the ending balance of the same.

TWIN LAKES REGIONAL SEWER DISTRICT
EXIT CONFERENCE
January 1, 2018 to December 31, 2019

The contents of this report were discussed on December 17, 2020, with Jackie Franklin, Office and Financial Manager, Mike Darter, Superintendent, and Otto Leis, President. The officials acknowledged the findings.

TWIN LAKES REGIONAL SEWER DISTRICT

"Protecting the Environment Today for Tomorrow's Generations"

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December 22, 2020

FINDING 2019-001: ANNUAL FINANCIAL REPORT ADJUSTMENTS

Management's Response: Management of TLRSD reviewed the findings of the compliance report regarding CD beginning cash balances in financials vs Annual Financial Report (AFR) in Gateway, breaking down receipts and disbursements within Gateway for Capital Improvement Fund, and Debt Service Reserve Fund on 2019 AFR. We have directed the Office/Financial/HR Manager to correct these issues on the 2019 AFR so they match the TLRSD internal financial statements.