

From the Desk of
Don Olinger
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Whitewater, WI 53190

August 7, 2024

To the Board of Commissioners of the
Whitewater-Rice Lakes Management District (the "District"):

The District's Bylaws, along with Charter 33 of the Wisconsin statutes, provide that the District, among other things, carry out lake protection and rehabilitation plans for Whitewater-Rice Lakes. The District is authorized by its electors in each annual meeting to establish an annual budget and initiate an appropriate tax assessment request to Walworth County and the Towns of Richmond and Whitewater. The District, through its elected Commissioners, then disburses the tax assessment dollars it receives in a manner appropriate to its mission to maintain Whitewater-Rice Lakes.

As provided within the Bylaws of the District, I have been appointed by the Board to provide an examination of the financial records of the District for the year ended December 31, 2023, and report any conclusions of such examination at the annual meeting. My examination has focused on the below items:

- Collection of the appropriate tax assessment revenues
- Verification of financial assets and expenditures
- Authorization of expenditures by the Board
- Appropriateness of the expenditures to the District's purpose
- Reporting of the above revenues and expenditures to the electors of the District

In conducting my examination of the District's financial records, I reviewed all cash activities reported within the monthly bank statements for the year ended December 31, 2023, including verifying the ending balances of the previous period, to provide assurance all bank activities within calendar 2023 were included in the bank statement copies I received. I also verified:

- collections of tax assessments totaling \$253,950 were received in the Operating account in 2023 and agreed to the total tax revenues reported in the financial records,
- disbursements totaling \$291,343, net of minor year end outstanding items, were made from the Operating account in 2023 and agreed to the total expenses reported in the financial records,
- an ending 2023 Operating account balance (including a loan of \$22,500 from the Capital account) of \$2,906, net of outstanding checks, and

- \$120,000 in funding from the Operating account to the Capital account, \$67,475 in grant receipts from the Wisconsin DNR, \$7,000 of proceeds from the sale of harvesting equipment, a \$2,000 donation from the GWLPOA, and disbursements of \$141,695 for a new harvester, utility trailer, winch and bimini top, resulting in an ending 2023 Capital account balance of \$169,309.

I also reviewed all checks greater than \$500, all checks paid to any Commissioner and admin staff, all payroll activity, and all Electronic Funds Transfers (“EFTs”), the latter of which don’t require a dual signature/authorization to execute. Such review included:

- verification of invoices, amounts and payees to check copies provided by the bank, along with invoice authorization by a Commissioner,
- verification of dual Commissioner signatures on all check copies provided by the bank,
- the appropriate classification of invoice amounts to expense categories as reported in the 2023 financial statements to be presented at the annual meeting.

The aggregate amount of the checks and EFTs I reviewed totaled approximately \$281,000 or 97% of the total operating expenses for the calendar year 2023.

As a result of the above examination of the financial records for 2023, I can provide reasonable assurance to the Board and the electors that the actual revenues received and expenses disbursed by the District for the year ended December 31, 2023 are accurately reflected in the financial statements provided to me and to be presented to the electors at the 2024 annual meeting.

/s/ Don Olinger

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