

From the Desk of
Don Olinger
N7745 E. Lakeshore Drive
Whitewater, WI 53190

August 7, 2023

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, 2022, 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, 2022, including verifying the ending balances of the previous period to provide assurance all bank activities within calendar 2022 were included in the bank statement copies I received. I also verified:

- collections of tax assessments totaling \$274,276 were received in the Operating account in 2022 and agreed to the total tax revenues reported in the financial records,
- disbursements totaling \$163,559, net of minor year end outstanding items, were made from the Operating account in 2022 and agreed to the total expenses reported in the financial records,
- a \$60,000 funding from the Operating account to the Capital account, a \$13,800 grant receipt from the Wisconsin DNR, and a disbursement to Aquarius Systems of \$44,785 as a final payment for a new weed trailer/conveyor, resulting in an ending 2022 Capital account balance of \$136,484, and
- an ending 2022 Operating account balance of \$127,270, net of outstanding checks.

I also reviewed all checks greater than \$500, all checks paid to any Commissioner and admin staff, 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 2022 financial statements to be presented at the annual meeting.

The aggregate amount of the checks and EFTs I reviewed totaled \$160,074, or approximately 98% of the total operating expenses for the calendar year 2022.

As a result of the above examination of the financial records for 2022, 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, 2022 are accurately reflected in the financial statements provided to me and to be presented to the electors at the 2023 annual meeting.

/s/ Don Olinger

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