

LOST LAKE PROTECTION AND REHABILITATION DISTRICT

AUDIT COMMITTEE REPORT

AS OF 5/31/2017

1).

The Lost Lake Protection and Rehabilitation District (District) checking account was reconciled through 5/31/2017. All figures agreed with the District Minutes and Treasurers report. All checks over \$500 were signed by two authorized Commissioners.

2).

According to information provided to the Audit Committee, the 2017 proposed expense budget presented to electors at the 2016 annual meeting was \$69,345 and it was approved by the electors. The 2017 proposed expense budget shown in the 7/2/16 meeting minutes was \$70,345 and this amount was approved by the Commissioners in the minutes of the 7/2/16 meeting and again in the minutes of the 8/4/16 special meeting. It appears that the difference is a loan repayment item of \$1000 to the LLCC that was forgiven by the LLCC, but was included in the 2017 proposed expense budget approved by the Commissioners but not included in the 2017 proposed expense budget approved by the electors. To make the budget figures agree, we suggest that the Commissioners amend their 2017 approved expense budget to \$69,345.

3).

The minutes of the February 9th, 2017 and April 10th, 2017 District meetings were not shown to be approved in the 6/23/17 meeting minutes. The minutes from the July 13th, 2017 meeting were not available at the time of this audit to show if they had been approved.

4).

There is a gap in the check number sequence, apparently due to the use of two check books. The Audit Committee considers this to not be a good practice.

5).

Due to the increase in the tax levy, the amount of funds being handled, and the probability of this continuing in the future, the Audit Committee suggests the Board of Commissioners look into the possibility of using the services of a qualified CPA to perform the annual District Audit.

6).

The Audit Committee requests that copies of the District meeting minutes, bank statements (including copies of deposits and checks), and Treasurer's reports, be sent to each Audit Committee member on a quarterly basis.

7).

The Audit Committee suggests that the Board of Commissioners review the LLPRD current insurance coverage to determine whether it includes Errors and Omissions coverage for the Districts Board of Commissioners, and the Audit Committee members.

Respectfully submitted by the Lost Lake Protection and Rehabilitation District Audit Committee on September 03, 2017.

Signed 8-11-17 at 1:00pm By:

Mel Schultz _____

Julie Greely _____

Marilyn Hessing _____

9/03/2017

AUDIT COMMITTEE ADDITIONAL COMMENTS:

ITEM 3). Since the preparation of the Audit Report, we have received the minutes of the 7/13/17 meeting . The minutes of the 2/9/17 and the 4/10/17 meetings were approved at the 7/13/17 meeting.

ITEM 7). Since the preparation of the Audit Report, we have been provided with The District Insurance policy. The policy does include Errors and Omissions insurance coverage for elected and appointed officials, and for volunteer workers. We do not know if the Audit Committee would be under that category, and we request that the Audit Committee be included as additional insureds if necessary for coverage.

LLPRD AUDIT COMMITTEE:

Mel Schultz

Julie Greely

Marilyn Hessing