

LOST LAKE PROTECTION AND REHABILITATION DISTRICT

AUDIT COMMITTEE REPORT

AS OF 5/31/2018

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1).

The Lost Lake Protection and Rehabilitation District (District) checking account was reconciled through 5/31/2018. All figures agreed with the District Minutes and Treasurers report. All checks over \$500 were signed by two authorized Commissioners.

2).

The minutes of the 01/04/18 meeting were approved at the 02/19/18 special meeting with minor changes, but the changes were not specified.

3).

The minutes of the 02/19/18 meeting include a motion to choose Clean Lakes, Inc. to apply the CLP herbicide treatment in 2018, and 2019, (if needed). This company did the application in 2017, and was the low bidder, but the amount of the bid was not stated. The Audit Committee recommends that all bidders be listed and the amount of each bid be stated in the minutes.

4).

There is a gap in the check number sequence, apparently due to the use of two check books. We again consider this to not be a good practice.

5).

The 2018 budget category for "Mailings and Office Expenses", was \$1000.00. The amount actually paid for Business Connections billings, P.O. Box rental, and two small refund checks for expenses advanced by Commissioners totaled \$1,793.61. It is recommended that a transfer of \$800.00 be made in the budget from "Potential Weed Removal" to "Mailings and Office Expenses" to cover the budget category overpayment

and that the "Mailings and Office Expense" category be increased in the 2019 budget. It is also recommended that a Miscellaneous category be added in future budgets for expenses that do not fit in other categories, and for unexpected expenses.

6).

Payments totaling \$21,930.60 were made to Onterra during the Audit year, but no expense category for Onterra was in the budget. If the expense categories of the "Lake Study Plan", (\$10,800); "Other AIS Costs", (\$6200.00); and " Potential Weed Removal", (\$10,000.00 less 800.00 transferred under item 5); were a part of the Onterra payments, the budget total of these categories would be \$26,200 vs the \$21,930.60 paid. We suggest including an "Onterra" category in future budgets.

7).

The Total Expense budget for 2018 was \$60,970.00. The total expenses paid during the audit year were \$60,198.55. The Revenue budget for 2018 was \$59,150.00 plus a carryover balance from 2017 shown as \$20,170.00, for a total of \$79,320.00. The actual revenue for the budget year was \$51,344.43. This resulted in a reduction in the cash balance of \$8,854.12 during the 12 month audit period, with no unexpected expenses. We recommend the Board of Commissioners consider an increase in the tax levy for 2019, to maintain an account balance to cover future unexpected AIS treatments that may occur.

8).

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

Respectfully submitted by the Lost Lake Protection and Rehabilitation District Audit  
Committee on September 02, 2018

Signed August 27<sup>th</sup> 2018 at \_\_\_\_\_ by:

Mel Schultz Mel Schultz

Julie Greely Julie Greely

Marilyn Hessing Marilyn Hessing