

LOST LAKE PROTECTION AND REHABILITATION DISTRICT

AUDIT COMMITTEE REPORT

AS OF 5/31/2021

1). The Lost Lake Protection and Rehabilitation District (District) checking account was reconciled through 5/31/2021. The figures for the months of July, September, October, February and April agreed with the District Minutes and Treasurer's report. Based on our review of canceled checks, we noted checks over \$500 were signed by two authorized Commissioners as required.

2). All minutes of the LLPRD meetings for the past year have been reviewed. Comments on those minutes are as follows:

- *All quarterly meeting minutes were approved.*
- *All motions were approved and passed.*

3). The total expense budget for 2021 was \$39,800. The revenue budget for 2021 was \$38,800.00 plus a carryover balance from 2020 shown as \$78,700.00 for a total of \$117,500.00. The annual budgets appear to be consistent with appropriate adjustments for necessary revenue and expense increases or decreases. The Audit Committee recommends at the end of each fiscal year that the Commissioners prepare a side-by-side comparison of actual revenue and expenses to budgeted revenue and expenses and analyze the difference. The Audit Committee also recommends that, when a Treasurer's Report covers a period including May 31, the cash balance at May 31 (the end of the LLPRD fiscal year) should be shown. Over the next year, Jim Jandrain will work with Bob Truppe to modify the budget format.

4). The Audit Committee recommends that the Treasurer's Report be completed on a quarterly basis instead of as of the date of the meetings. This quarterly reconciliation is an essential internal control tool and is necessary in preventing and detecting errors and fraud. They also help identify accounting and bank errors by providing explanations of the differences between the accounting record's cash balances and the bank balance position per the bank statement. The Audit Committee reconciled the bank statements for the fiscal year and noted no discrepancies. The recommendation to change the timing is to increase efficiency, completeness and timing not due to any errors or discrepancies found in the Treasurer's report.

5). 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 with copies of bank statements (including copies of deposits and checks).

6). The Audit Committee continues to recommend that future tax levies be sufficient to cover ongoing expenses and to provide funds to combat AIS in Lost Lake without borrowing funds.

Respectfully submitted by the Lost Lake Protection and Rehabilitation District Audit Committee on September 5, 2021.

Signed on September 5, 2021 by:

Andrea Thomas

Josh Hessing

Jim Jandrain

