

LOST LAKE PROTECTION AND REHABILITATION DISTRICT

AUDIT COMMITTEE REPORT

AS OF 5/31/2022

1). The Lost Lake Protection and Rehabilitation District (District) checking account was reconciled through 5/31/2022. The figures for the four quarters of the fiscal year agreed with the District Minutes and Treasurer's report. The Audit committee reviewed the Treasurer's reports and supporting backup for the fiscal year and noted no discrepancies. Upon our review of the cancelled checks, we noted that 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 2022 was \$56,600. The revenue budget for 2022 was \$25,200 plus a carryover balance from 2021 shown as \$105,300 for total funds available before expenses of approximately \$131,000.00. The annual budgets appear to be consistent with appropriate adjustments for necessary revenue and expense increases or decreases. Consistent with last year's Audit Committee recommendation, the Commissioners prepared a side-by-side comparison of actual revenue and expenses to budgeted revenue and expenses. The information was helpful. We had a productive discussion with the Treasurer regarding other financial analyses to make the quarterly reports more comprehensive, standard and user-friendly. The Treasurer will be considering producing some of those this year. As recommended by the Audit Committee, the Treasurer's report now covers a period including May 31st which shows the cash balance at May 31 (the end of the LLPRD fiscal year).

4). As recommended by the Audit Committee, the Treasurer's Report is now being completed on a quarterly basis instead of as of the date of the meetings. This quarterly reconciliation is an excellent internal control tool and is necessary to prevent and detect 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 per the bank statement. The Audit Committee reconciled the bank statements for the fiscal year and noted no discrepancies.

5). The Audit Committee again requests that copies of the District meeting minutes, and Treasurer reports continue to 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, to provide funds to combat AIS in Lost Lake, and to provide funds for fish stocking, geese control and other expenses to enhance and/or maintain the quality of Lost Lake without borrowing funds.

Respectfully submitted by the Lost Lake Protection and Rehabilitation District Audit Committee on September 4, 2022.

Signed on 8/31/22 by:

Andrea Thomas

Josh Hessing

Jim Jandrain

