

## **Bad Medicine Lake Area Association (BMLAA) Financial Review**

On June 27, 2020 John La Fond conducted a review of the 2019 calendar year financial records of the BMLAA. Due to the Corona Virus, we did not do an in person review this year and did not include a second review person. Rather, I picked up the records and checkbook from Marge Lorentzsen, treasurer of BMLAA, and performed the review at home.

**I found the financials and the books to be in order.**

The review included the following:

- Review of the 12/31/19 Balance Sheet and Income Statement.
  - The Treasurer's Report reflects an increase in cash for the year of \$808 on revenue of \$4,199. The major items of revenue include membership dues of \$3,030 and donations and memorials totaling \$595. The major expense items for 2019 were a \$1,409 for directories, a \$750 donation to Veronen's for fireworks and \$379 for the publication of 2 newsletters.
  - The Balance Sheet reflects a healthy cash balance of \$10,279. Note that \$7,355 of this amount is earmarked for AIS spending. These funds are not available for general expenditures, but are designated for use on Aquatic Invasive Species expenses only. Excluding the AIS fund, left \$2,924 available for general expenses as of Dec. 31, 2019. No bills were reported as outstanding against this amount as of 12/31/19.
  - The June 10, 2020 Treasurer's Report reflects primarily collection of membership dues with little expense activity since Dec. 31, 2019. The total cash balance had increased to \$11,643.
- Comparison of the check statement vs. the balance sheet.
  - The check statement was properly reconciled to the cash account and the cash account was up to date both as of 12/31/19 and May 31, 2020. Reviewed the significant expenses COLA Dues (\$300), MN Lakes & Rivers (\$300), Directory expenses (\$1,408.77) and Newsletters (\$379.19). All had proper supporting documentation.
  - No AIS expenses were incurred in 2019.
- Reviewed dues receipts for the 2019 vs. the membership roll and found them to be in agreement. The \$3,030 reported as collected for 2019 included both 2019 and 2020 dues (\$2,505 and \$525 respectively).
- Reviewed approval process for expenditures. Found that either votes at meetings or votes via email are required to approve all expenditures except ongoing or continuous expenditures such as COLA dues.
- The Board has done away with the petty cash fund. The remaining \$46.64 was deposited in the checking account on 6/26/19.
- The signatures on the checking account are up to date.

### **Suggestions**

- The Board should review how the AIS funds are to be used. There have been no expenses reported in the past two years. The balance in this fund is \$7,355 as of 6/10/20.

Should you have any questions, please feel free to contact me.

John La Fond  
June 27, 2020