

## **MLUA Audit – Year ending June 30, 2017**

### **INTRODUCTION**

The bylaws for the Minnesota Lacrosse Umpire Association (MLUA) require an annual audit of the financial records.

**Section 5.6** of the bylaws states the following:

*“The Board will annually direct the auditing of and payment for such auditing of the financial books of the MLUA to ensure proper accounting for the funds of the MLUA. The Board will report the findings to the membership within 30 days after each annual audit.*

The audit was conducted by John Nicholson members who was appointed to the audit committee.

After reviewing the financial records of the Treasurer, the results are as follows:

#### **1. Prior Year Recommendations**

- ***Youth official dues should continue to be properly tracked and collected. Youth officials should not be assigned games if they have not paid their dues, unless the dues have been reduced or waived by the board.*** It is noted that the Treasurer has continued to collect and track youth official dues.

#### **2. Receipts/Income –** The Treasurer properly deposited all dues and other sources of income he received. Total receipts deposited for the period were **\$15,097.89**.

A sample of 10 officials was randomly pulled from Arbiter, to determine if the officials paid their dues and any other required fees.

The sample included 7 adult officials, and 3 youth officials.

Five adult officials paid the required MLUA dues. One official was late with his dues, and paid the proper late fee. One official paid a reduced fee (Mankato official) which was approved by the board.

The two officials who did not pay dues were visiting college officials who only did a few games at St. Ben's College. Their dues were waived by the board.

All of the youth officials in the sample paid the proper fees.

#### **3. Expenditures –** Expenditures for the period totaled **\$14,162.83**. The audit included a review of FY 2017 expenditures totaling **\$2,434.33 (17% of total expenditures)**. All expenditures were properly recorded and supported by documentation. The Treasurer obtained approval for expenditures from the board before making payments.

4. **Ending Balances** – The ending balances in the bank accounts of the MLUA were as follows:

**Checking Account: \$11,554.93**

**Savings Account: \$2,385.57**

**TOTAL: \$13,940.50**

These amounts agreed with bank statement records that were maintained by the Treasurer.

### **RECOMMENDATIONS**

The following item is recommended to the Board, based on the outcome of the audit:

- **The Auditor and Treasurer agreed that a “Revenue and Expense Recap” should be completed at the end of each fiscal year, and will serve as the primary Financial Statement for MLUA. A draft of the Recap can be presented to the membership at the year-end meeting held June of each year**
- **1099’s should be issued for any payments issued to an individual that is over \$600, per IRS requirements. The Board should also put this requirement in their Policies and Procedures.**

### **Actions Taken**

The Board met on February 18, 2018, and agreed with the conclusions and recommendations of this report. Recommendations have been implemented or are in the process of being implemented as of the date of this report.

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**(SIGNED)**

**(February 18, 2018)**

**John P. Nicholson, MLUA Audit Committee**