

Summary of Round Trade Lake Improvement Association (RTLIA) Fall 2022 Audit

RTLIA By-Laws Article IX, Section 3, require a financial audit be performed, by committee, in the event of the election of a new treasurer. This summary was prepared for presentation at the RTLIA 2022 Annual Meeting. The full audit results will be reviewed after the 2022 Annual Meeting and will then be posted on the RTLIA web site.

The audit included a review of the following elements:

- 1) Verify accurate records of all transactions made by the Association
- 2) Review bank register and verify all checks had supporting invoices
- 3) Assure all invoices were submitted by traceable and verifiable vendors or organizations
- 4) Assure dues, donations and other income was verified and deposited in a timely manner
- 5) Confirm and verify there were no cash transactions
- 6) Review the signature all checks written to officers
- 7) Confirm and verify all transactions were deemed to be a benefit to the Association

Results:

The RTLIA maintains a detailed historical record of all transactions made by the Association. The audit found these records were meticulously maintained and numerically accurate.

Aside from a few data entry errors (check numbers), all criteria defined above were met. However, there were 3 transactions that required additional investigation by the audit committee.

- 1) The Association's insurance policy was not renewed for 2022.

Committee's Response: Failure to renew the Association's insurance policy has been identified to be an error made by the previous board, most likely due to misunderstanding the purpose of the insurance. The RTLIA board is presently working to renew the policy.

- 2) A payment of \$750.00 was made on 9/21/2021 for attorney fees to review and revise the RTLIA By-Laws. The payment was made to the wife of an active board member and could be considered a conflict of interest.

Committee's Response: The committee found no evidence of any conflict of interest. All changes to the By-Laws were deemed appropriate and the changes were presented to the general membership for vote of approval.

- 3) A Steward Donation was approved by the RTLIA board on 5/09/2022 and awarded to the newly formed Long Trade Lake Association. The general membership contends the board exceeded their authority authorizing a donation of \$20,000, 35% of the Associations funds.

Committee's Response: The committee alleges that the RTLIA Board of Directors violated several RTLIA By-Laws by making a Steward Donation of \$20,000 to Long Trade Lake in a private meeting. The By-Laws clearly state that any meeting that includes transaction of business be made public and requires notification be sent to the general membership.