

MLUA Audit – Year ending June 30, 2014

INTRODUCTION

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

Section 5.6 of the bylaws was amended in June 2013 to include the following:

“The Board will annually direct an internal audit of the financial books of the MLUA to ensure proper accounting for the funds of the MLUA. An audit committee will be formed at the annual meeting and will complete an audit of the MLUA financial books within 30 days of the close of the books on June 30th. The Board will report the findings to the membership within 30 days after each annual audit.

The audit was conducted by John Nicholson, who was selected as the audit committee member responsible for conducting the audit.

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

1. Prior Year Recommendations

- Annual dues, fees, certifications, etc.

The Treasurer recorded for each member in FY 2013:

1. Dues payments and late fees if applicable (see next bullet);
2. U.S. Lacrosse membership fee payments

MSSHSL fees had to be paid before games could be assigned to an official. The recommendation from the 2013 audit has been properly implemented.

- Late Fees

Section 4.1.1 of the bylaws allows for a late fee when membership dues are received after the due date. The audit committee recommended in 2013 that the late fees should be enforced and collected in 2014.

The audit disclosed that late fees were properly enforced, collected, or waived for good cause for the 2014 audit sample of dues remitted by the membership. There were exceptions for the findings in the next section of this report.

2. Receipts/Income – The Treasurer properly deposited all dues and other sources of income he received.

A sample of 14 officials was initially pulled from Arbiter, to determine if the officials were assigned games, and if they paid their dues. The sample was also used to determine if the official was inactive (not assigned games) and therefore did not owe any dues.

Due to some discrepancies noted during the review of this sample, the audit committee and Treasurer expanded the scope to a 100% review of the officials listed in Arbiter.

As a result, it was found that there were 5 adult officials who were assigned games, but did not pay the \$90 MLUA dues. E-mails were sent to 4 of these officials notifying them that they did not pay the required dues, and payment should be remitted immediately. As of the date of this report, none of the delinquent officials have made payment.

The remaining official may have his dues waived, since he had a small number of game assignments.

The audit also found that there were poor controls over the collection of dues from youth officials. There were occasions where dues were remitted to the Treasurer in a lump sum, but there was no listing of the youth officials who paid the dues. An analysis indicated that while there were some youth officials who may not have paid their dues, there were other youth officials who paid dues, but were only assigned a minimal number of games, or no games. The net effect on revenue appears to be minimal, but better accounting of youth official dues needs to be implemented.

3. **Expenditures** – Expenditures for 2014 totaled \$11,764.54. The audit included a review of 2014 expenditures totaling \$8,114.37 (69% 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: \$7,329.43.

Savings Account: \$1,202.48

The total amount of available funds for the year ended 6/30/14 is \$8,531.91. This amount agreed with the records of income and expenditures that were maintained by the Treasurer.

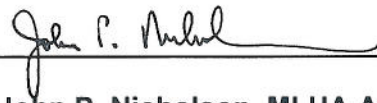
RECOMMENDATIONS

The following items are recommendations to the Board, based on the outcome of the audit:

1. Officials should not be assigned games until all dues and payments have been made in full. Any exception to this policy should be reviewed and approved by the board.
2. Youth official dues need to be properly tracked. There needs to be a listing of youth officials showing that their dues and fees have been paid, prior to any game assignments, unless approval has been received from the board.

Actions Taken

The Board met on September 29, 2014, 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.



October 1, 2014

John P. Nicholson, MLUA Audit Committee
