

## INTERNAL CONTROL REVIEW:

Submitted for the May 24, 2017 Board Meeting

Sally Lyon & John Jones met on May 12, 2017 for a quarterly Internal Control Review. The review covered the items bellow. All observations and checks by this board member appeared to be adequate and appropriate. Our next review is scheduled for August 10, 2017.

This review included the following reviews items:

1. Review of Bank Statement & Reconciliation making sure the accounts are reconciled and there were no unusual items.  
The Bank of the West statements and reconciliation for the month of March was reviewed. All deposits were reviewed. Both reconciliation statements were balanced back to the cash balances in the general ledger.
2. Review Local Agency Investment Fund (LAIF) activity for the quarter ending March 31, 2017.  
The LAIF balance at the beginning of April was \$6,049,963.48. In January there was one transfer into the Investment Fund of \$10,707.91 for our 4th quarter interest. And, there was one transfer out of the Investment Fund of \$200,000 into the operating bank account at Bank of the West. This transfer was verified in our Bank of the West Statements. In February there were two transfers out of the Bank of the West Account into the LAIF Fund in the amounts of \$1,500,000 & \$200,000 representing tax revenue from both Placer & Nevada Counties. The balance at the end of the quarter (3/31/17) in the LAIF account was \$7,560,671.39, yielding 0.78%. In addition to the LAIF account, TTAD has a WFB Investment account with six \$250K CD's yielding between 1% and 1.55% and a Money Market account with \$70,940 yielding 0.49%.
3. Review Journal Entries posted during the quarter looking for unusual entries or entries where items may be posted to unrelated accounts or entries that do not have sufficient explanation.  
At the end of the first calendar quarter there were 87 journal entries in the General Ledger. The move to a 3<sup>rd</sup> new Point of Sale Software package

continues to add to the number of entries as does the learning curve with the Districts new Caselle accounting software package. All entries were deemed normal. There were no unusual entries and no postings to unrelated accounts.

4. Reviewed the aging of accounts payables looking for older items, large items while reviewing the vendor lists.

The aging of accounts payables were reviewed in both the months of March and May on a MTD basis. Total payables in March were \$357,988.38 with \$133,240.20 aged. There has been a significant amount of activity regarding the building of the WOB and there have been a significant number of late billing on the part of the Districts Vendors leading to this larger than normal aged amount. To validate the size of the aged items being an anomaly, we reviewed the aged accounts payables as of May 12th. The aged items had decreased to a total of \$15,991.40 with one item to AvFuel representing \$15,829.48 of the total.

5. Review one of the Internal Employee Credit Cards confirming appropriate documentation is retained that supports the charges on the Card.

Kevin Smith's March charges were reviewed. There were 15 charges reviewed totaling \$3,697.05. All charges had appropriate documentation regarding the approval process and details of the items purchased.