

INTERNAL AUDIT REVIEW:

Submitted for the June 24, 2026 board meeting

Liza Smith and Kat Rohlf met on May 18 for a quarterly internal audit review. The review revealed no evidence of inadequate internal controls. The specific items reviewed are highlighted below. Our next review will take place in August, 2026.

BANKING

Wells Fargo Bank: At the end of April, 2026, the total in the WFB checking account was \$1.663M. The total property tax was \$440,724, and the total in grant money was \$81,374.

LAIF (Local Agency Investment Fund): Total in the LAIF fund at the end of April, 2026 was \$4,836,902, including the quarterly interest of \$46,939.

CalClass Account: Total funds in CalClass reserves=\$2,725,213. CalClass Property Tax account totals \$11,190,445. This includes the \$1.8M formally in the Wells Fargo Money Market that has been moved to CalClass.

Total interest earnings (at 3 ½%) for April in the Sweep account was \$1,276.64.

PAYROLL

All documentation for payroll looked detailed and appropriate. Heather Barraga came into the office to explain some of the details regarding overtime, vacation pay etc. Of note, there were three additional payments for the month of April; one was a paycheck to a new hire who had not yet been added to the payroll. The other two were performance bonuses (\$500 and \$1000) to two employees.

Recommendation: In the future, “all merit cash payments shall be reported to the board as part of an agenda item at a regularly scheduled public meeting”, in accordance with Policy Instruction 110.

DISBURSEMENTS

We pulled the largest April disbursement to check for proper documentation with the invoice. The largest disbursement went to Vector (\$61,833). However, the invoice was divided into two charges, one of which came from “PlaneNoise Complaint Box”. Mike Cooke explained to us that VNOMS will now bill us on behalf of PlaneNoise Complaint

Box and that a delay in signing contracts at the beginning of the year caused the unusual invoice with two different companies listed on the charges.. That issue has been resolved.

CREDIT CARDS

Liza listed all of the employees who have company credit cards and their spending limits (\$20K/month for directors, \$10K/month everyone else). We pulled the statement for the employee with the highest number of charges (Matt Warren), and looked at his April statement. Laura Mader came to the office to walk us through the inspection. Everything looked normal. Of note, it was very easy to look through all of the charges because all of the invoices had been uploaded into the system.