

## INTERNAL CONTROL REVIEW:

Submitted for the May 27, 2015 Board Meeting

Sally Lyons & John Jones met on May 14, 2015 for a quarterly Internal Control Review. The review covered the items bellow. All observations by this board member and checks appeared to be adequate and appropriate. Our next review is scheduled for August 3, 2015.

This review included the following reviews items:

1. Review Local Agency Investment Fund (LAIF) activity for the quarter ending March 31, 2015.

The LAIF balance at the beginning of January was \$9,623,915.98. In January there was one transfer into the Investment Fund of \$6,386.61 for 4<sup>th</sup> quarter interest. In January there was one transfer into the Investment Fund and out of the operating bank account at Bank of the West. The total of this transfer was \$1,200,000 due to property taxes received from both Nevada and Placer Counties. This transfer was verified in our Bank of the West Statements. The balance at the end of the quarter (3/31/15) in the LAIF account was \$10,830,302.59

2. Review of the Investment Statements and transaction during the quarter.

The Wells Fargo Investment Account on January 1, 2015 held \$1,031,859.71. In January and February two \$250K CDs were purchased and added to TTAD's Investment Account. At the end of the March quarter TTAD held 6 CD's with a face value of \$1.5M and a Market Value of \$1,506,192.25. In addition the Investment account has a Money Market Mutual Fund totaling \$37,825.03. The WF Investment Account at the end of the quarter had a balance of \$1,544,017.28. There were no transfers during the quarter to the Bank of the West account from our Investment Account.

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.

There were six non-recurring journal entries in January, five in February and three in March. Fourteen Journal Entries for the March quarter were

reviewed. All entries were 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 for the month of March. Total payables at months end were \$70,578.11 with \$19,314.34 aged. Of the aged items \$11,314 were under 30 days and 70% were to one Consulting Company payable the day received. There were two aged items that were a concern. One over 60 days for \$5,000 and one over 90 days for \$3,000. In digging into the backup documentation it appeared one was an invoice submitted via email that was not seen by staff and the other was a statement sent to our general manager without a follow up invoice. In both cases, when a follow up demand for payment was received the payment was made within days. We believe these were anomalies caused by the action of our vendors on not an issue for further analysis of our staff.