

TO: GEORGE LAKE REHABILITATION DISTRICT

FROM: AUDIT COMMITTEE

DATE: August 26, 2011

RE: FINDINGS OF AUDIT COMMITTEE

I have reviewed the available records, covering the period from Jan. 1, 2010 through Dec. 31, 2010. I found no evidence of improper activity and submit the following to the Board of Commissioners of the district.

Comments

1 All expenditures were verified by invoices and cancelled checks and all deposits were deposited in District banking accounts.

2. Checks were compared to invoices and all were found to be in the proper amounts and supported by invoices.

3. Total 2010 expenditures:
There was an excess of revenues over expenditures in 2010, in the amount of \$9449.07. There appears to be no formal action from the board to move those excess funds to reserves. I recommend that minutes from the first meeting of the year reflect such action. This is a repeat finding. I suggest that the first agenda of the New Year reflect this item.

4. Withholding payments were all made but the District incurred a penalty of \$125.00 on a late payment. The Lake's treasurer has made arrangements to access the necessary information on a timely basis for filing.

5. Payroll checks were supported by a register provided by a third party and supported by time sheets. In talking to the accountant, it appears that time sheets are prepared by employees and submitted for payment without any supervisory review. I recommend that those time sheets be reviewed by a third party.

6. An account register was produced by the treasurer for the general account and the money market account. Entries match District receipts and check registers.

7. Tax revenues, including lottery tax income, in the proper amount were received from the Village of Bristol and deposited in accounts of the Lake District.

8. Reserve funds designated for Equipment, Dredging, and general purposes were balanced to the amount in the District's funds. It is suggested that these accounts become part of the quarterly report to the board. Additionally, it is suggested that monthly bank account statements be opened by the individual receiving them and reviewed for any irregularities before giving them to our treasurer.

Respectfully submitted,

Sam Seavitte