

CHAPTER 5 – Information for Annual Audit

The Cavalier County Job Development Authority participates in the annual County Audit and we budget for our portion of that cost. The audit serves to protect the organization from any problems that might arise from expending tax dollars and it provides guidance for improving your financial operations.

-Carol Goodman, Executive Director CCJDA

All Required Information

As requested by the State Auditor's Office, you will be required to submit the following information:

1. Cash/Investments:

- **BANK STATEMENTS** – January 1 of year being audited thru most recent month in current year.
- **CERTIFICATES OF DEPOSIT** – If you currently have any.
- **MONTHLY BANK RECONCILIATIONS** – Copies of reconciliation reports.
- **INVESTMENT RECORDS** – if you have any.
- **PLEDGE OF SECURITIES** – all banks/accounts – including substituted securities for period under audit. Also, please make copies of the pledging documentation that supports the amounts pledged.
- **PLEDGE SECURITIES APPROVALS** – all approvals of pledged securities from either the bank's board of directors or loan committee.
- **COMPLETE CHECK REGISTER** – either a paper copy, or in electronic format.

2. Accounts/Other Receivables:

- Supporting schedules showing any recorded accounts/intergovernmental receivable amounts.
- Supporting documentation related to any other recorded receivables.
- Detailed Aged receivables listing as end year.
- Miscellaneous receipts for January and February of current year.
- Please review your miscellaneous receipts for January and February, and prepare a schedule of unrecorded “potential” receivables so that they may audit them and determine whether to propose adding them as an audit adjustment.

3. Capital Assets:

CAPITAL ASSET RECORDS – prepared according to capitalization policy, including annual depreciation and accumulated depreciation for the year under audit. They would like the following capital asset records:

- A capital asset listing – Schedule of capitalized assets if one is prepared, including depreciation if applicable.
- Listing of capital asset acquisitions and disposals/deletions.
- Supporting invoices/documentation related to any capital asset acquisitions or disposals. They will also want to see supporting documentation related to bidding procedures followed for each addition, if applicable.
- **INSURANCE POLICIES** - currently in effect. Copy the coverage pages for public assets, automobile, general liability, buildings and contents.

4. Accounts Payable:

- Listing of aged payables as of year end and any related detailed supporting documentation.
- Invoices & supporting documentation (and a check register) for January of current year.

5. Debt Files:

- NEW BOND ISSUE INFORMATION (if applicable).
- EQUIPMENT LEASES –Copies of new ones.
- NEW BANK LOAN/LINE OF CREDIT INFORMATION (if applicable) – loans issued/lines of credit taken out (agreement and payment schedules).

6. Expenditures / Payroll:

- CANCELLED CHECKS – the copies/pictures in the bank statements are acceptable.
- INVOICES/VOUCHERS- generally they will just ask for a sample of 60 ,and after you send them your check register they will have you pull certain vouchers; however, we always have all vouchers ready just in case.
- Payroll – for the payroll expenditures in the sample of 60.
- CREDIT CARDS (if applicable):
 - Provide the names of all credit cards used by the organization as well as the purpose of each card (what each card is used for).
 - Provide a copy of the County or your organization’s formal policy on the use of credit cards.
 - Provide the credit card statements that are attached to the vouchers.
- PAYROLL INFORMATION:
 - System generated reports showing gross and net amounts paid to employees.
 - Schedule of compensated absences (i.e.; vacation and/or sick leave balances at year end), if any, and accompanying support.

IMPORTANT! *If you are using QUICKBOOKS, YOU MUST PRINT THIS AT THE END OF EACH YEAR- You will be unable to print it on the audit date.*

- Vacation and Sick leave policy if any. Located in employee handbook.
- W-4’s, W-3’s, W-2’s, 1099’s issued for calendar year being audited, 941 quarterly reports for each quarter in year being audited.
- Total contributions by employer and employee to NDPERS for year being audited.
- EMERGENCY FUND (if one exists) – Expenditures that were made from the Emergency and the purpose for each one.

7. Financial Statements/General Ledger/Other:

- ALL FINANCIAL RECORDS – summary and detailed transactions summaries – print transaction summary for entire year.
- LEDGERS AND JOURNALS/FINANCIAL RECORDS - all funds for year (summary and detail transaction reports) – from Peachtree or QuickBooks or whatever program you are using.
- A COMPLETE CHECK REGISTER – All check ranges by check/transaction number.

- MINUTES - Copies of the minutes which were signed by the board chair for the beginning of year being audited thru latest meeting held; if last meeting or few meetings have not yet been approved or printed, a print-out of the latest unapproved meeting minutes is fine.
- EMPLOYEE BOND (STATE BONDING FUND) – CCJDA is covered under the County policy. Check with your city or county auditor.
- FINANCIAL STATEMENTS AND/OR REPORTS – for year audited, including but not limited to the following for your organization:
 - Balance Sheet as of yearend.
 - Profit and Loss by class for entire year.
 - Transaction summary report for entire year.
 - Budget vs. Actual.
- APPROVED COUNTY BUDGETS – for year being audited and current year.
- BUDGET AMENDMENTS – **If the County amended the budget in any year, prepare a schedule of budget amendments.**

8. Federal Programs/Grants:

- GRANT RECORDS
 - The state auditors will contact you regarding which grants will be audited. As a general rule (although this is not always the case), they will audit any individual grants with expenditures in excess of \$300,000.

9. Policy Manual:

- Provide a copy (or bookmark the pages) of the following sections of your policy manual (if applicable):
 - Compensated Absences Policy
 - Retirement Benefit Policy
 - Employee Handbook/Policy Manual
 - Bidding Policy
 - Internal Control Procedures Manual
 - Credit Card Policy
 - Fraud policy
 - Capital Asset Policy
 - Grievance Reporting Policy (or Whistleblower Policy, etc.)
 - Ethics Policy

Include any other records that you think they might need, or any notes that explain entries to your financial records.