

INTERNAL CONTROL REVIEW:

Submitted for the August 26, 2015 Board Meeting

Sally Lyons & John Jones met on August 3, 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 the 4th calendar quarter, 2015.

This review included the following reviews items:

1. Review Local Agency Investment Fund (LAIF) activity for the quarter ending December 31, 2014.

The LAIF balance at the beginning of April was \$10,813,834.59. On April 15th there was one transfer into the Investment Fund of \$6,697.64 for 1st quarter interest at the rate of 0.26%. In June there was one transfer into the Investment Fund from Bank of the West from Nevada and Placer County Property Tax payments of \$621,116.27 and \$1,253,589.54 respectively. One transfer out of the LAIF account into Bank of the West occurred at the end of June in the amount of \$300,000. The balance at the end of the 2nd quarter (6/30/15) in the LAIF account was \$11,920,532.23

2. Reviewed the aging of accounts receivables looking for older and large outstanding items.

The June 30th account receivable aging was reviewed. Total receivables at quarters end were \$11,470. There was nothing due over 30 days except EAA, which is accumulated all year and worked off with labor contributions from EAA members. Total receivables were \$1,183 excluding EAA. There are no aged items over 30 days in these receivables.

3. Review the payroll register for the month of June checking names for appropriateness, rates and overtime.

The first pay period of May was reviewed. There were 33 payroll checks issued (20 full time employees of the Airport District and 2 Summer Temps; 6 ACAT member and 5 Airport Board members). All payments were deemed appropriate. Overtime hours during this pay period were reviewed and totaled 7.55 hours. There were no unusual items identified.

4. The testing of 3 disbursements making sure the appropriate original documentation is retained and supports these 3 transactions.
Check numbers 54347 to B & L Backflow Testing for \$460; check number 54368 to Special District Risk Mgmt. Author for \$26,184.42 and check number 54637 to Ward-Young Architects for \$29,273.50 were chosen at random. All checks had the appropriate documentation and support material.

5. The testing of 3 June deposits to ensure appropriate documentation supporting the receipts deposited.

The three deposits that were chosen were:

- a. 4-13-15 \$11,873
 - b. 5-11-15 \$3,454
 - c. 6-12-15 \$2,526.82
- a. This deposit included 2 checks for warehouse space from Porter Simon (\$1,061) and Mountain Home Center (\$10,812).
 - b. This deposit was a combination of 6 hangar checks that totaled \$3,454 when added individually.
 - c. This deposit consisted of a check from REMSA (Careflight) for \$711.36 and a second check from Soar Truckee for \$1,365.46.

All deposits were reviewed and deemed appropriate.