

## INTERNAL CONTROL REVIEW:

Submitted for the February 24, 2016 Board Meeting

Sally Lyons & John Jones met on February 4, 2016 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 in the 2nd calendar quarter, 2016.

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 September was \$10,178,483.34. In October there was one transfer into the Investment Fund of \$8,821.67 for 3<sup>rd</sup> quarter interest. In October, November and December there were six transfers out of the Investment Fund and into the operating bank account at Bank of the West. The total of these transfers was \$1,300,000 and they were verified on our Bank of the West Statements as deposits. The balance at the end of the quarter (12/31/15) in the LAIF account was \$8,887,305.01

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

The December 31st account receivable aged accounts were reviewed. Total receivables at quarters end was a positive \$10,880 due to advanced payments by Avis and the Mountain Home Center. One item in the due over 30 days category was from Hertz for \$24. It emanated from a CPI monthly increase of \$6 initially questioned by Hertz and was paid in January.

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

The last pay period of December was reviewed. It started on December 13th and ended on December 26<sup>th</sup>. There were 21 payroll checks issued for the 21 FTE employees of the Airport District. Overtime hours during this pay period totaled 11.02 hours. All payments were deemed appropriate.

4. The testing of 3 disbursements making sure the appropriate original documentation is retained and supports these 3 transactions.

Check numbers 55455 to Processor Building and Development, Inc. for \$26,446.26; check number 55413 to Mead & Hunt, Inc. for \$61,501.47 and

check number 55402 to D & D Plumbing for \$26,774.80 were chosen at random. All checks had the appropriate documentation and support material.

5. Review one of the Internal Employee Credit Cards confirming appropriate documentation is retained that supports the charges on the Card.

Phred Stoner's fourth calendar quarter charges were reviewed. In October two charges were reviewed totaling \$246.24; In November five charges were reviewed totaling \$783.29 and in December there were no charges on the Card. All 7 charges had appropriate documentation regarding the approval process and details of the items purchased.