

INTERNAL CONTROL REVIEW:

Submitted for the August 23, 2017 Board Meeting

Sally Lyon & John Jones met on August 17, 2017 for a quarterly Internal Control Review. The review covered the items bellow. All observations and checks by this board member appeared to be adequate and appropriate. Our next review is scheduled for November 9, 2017.

This review included the following reviews items:

1. Review Local Agency Investment Fund (LAIF) activity for the quarter ending June 30, 2017.

The LAIF balance at the beginning of April was \$7,560,671.39. In April there was one transfer out of the Investment Fund of \$100,000 into Bank of the West and one transfer into the account of \$13,361.68 for 1st quarter interest. In May there was another transfer out in the amount of \$150,000 into Bank of the West as well as a transfer into the account in the amount of \$1,500,000. All three transactions with Bank of the West were verified on our Bank of the West Statements. The balance at the end of the quarter (6/30/17) in the LAIF account was \$8,824,033.07.

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

The June 30, 2017 account receivable aging report was reviewed. Total receivables at quarters end was a debit balance of \$10,267.27 and a credit balance of \$1,951.31. We had \$1,400 due over 150 days; \$6,250 due over 120 days; \$2,107.62 due over 90 days; \$75 due over 60 days and \$434.45 due over 30 days. These accounts receivables are due from 17 different customers. Eight are for parking that may have been cancelled but we have not received confirmation. The largest receivable is from Surf Air for \$4,500 caused by an increase in the number of flights above our current contract. The next largest is from Enterprise Car Rentals for \$1,395.32 and is the second half of a deposit owed from their new space in the WOB. The remaining 7 receivables are small, however, the total number outstanding will be expected to be reduced substantially by the next internal audit, especially those over 60 days.

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

The last pay period of June was reviewed which started on June 11th and ended on June 24th. There were 26 employees paid during the pay period. (23 regular employees of the Airport District and 3 seasonal employees). All payments were deemed appropriate including vacation, holiday, sick, overtime, regular and special pay hours. There were no unusual items identified.

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

The three deposits that were chosen were:

- a. 6-5-17 \$13,259.00
- b. 6-12-17 \$7,566.94
- c. 6-23-17 \$4,301.13

- a. This deposit included 3 checks from Cunitz for hangar wait list (\$250); Sierra Aero (\$2,100) and Mountain Home Center (\$10,909).
- b. This deposit was a combination of 12 checks for parking and hangar rentals.
- c. This deposit consisted of 2 checks for hangar rentals in the amounts of \$3,901.13 and \$400.00.

All deposits were reviewed and deemed appropriate.

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

Lauren Tapia's June credit card charges were reviewed. There were 15 charges reviewed totaling \$1,210.29. All charges had appropriate documentation regarding the approval process and details of the items purchased.