

INTERNAL CONTROL REVIEW:

Submitted for the January 22, 2014 Board Meeting

Jane Dykstra & John Jones met on January 14, 2014 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 middle of April 2014.

This review included the following reviews items:

1. Review of Bank Statement & Reconciliation making sure the accounts are reconciled and there were no unusual items.

The Bank of the West Statement for December 2013 was inspected. The account was reconciled and there were no unusual items. Both the LAIF account and the Wells Fargo Investment Account were reviewed. The Investment account has \$500,000 in CD's and a money market account with a total of \$525,806.72. This high amount was due to two CD's (AMEX & Ally Bank) maturing in the quarter. The LAIF balance at the end of December was \$7,551,445.71 which reflected a \$200,000 transfer to our operating account at the Bank of the West.

2. Review of the Investment Statements and transaction during the quarter.

The Wells Fargo Investment Account had two \$250K CDs mature late in the quarter. They have not been replaced and the funds were moved to the money market account. The WF Investment Account at the end of the quarter had a balance of \$1,025,806.72. This included the money market account valued at \$525,806.72 which had increased by \$2,843.15 due to interest payments since the last quarter. There were no transfers during the quarter to the Bank of the West account from our Investment Account.

3. Reviewed the aging of accounts payables looking for older items, large items while reviewing the vendor lists.

Account payables totaled \$13,104.31 on December 31, 2013. The total of account payables due within 30 days was \$13,141.77 and there were two small credits from Bulbman and Rexel Electric aged over 30 days accounting for the difference of \$37.46. There were no payables items aged over 30 days at calendar year end.

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

The first pay period of the quarter was reviewed which started on September 22nd and ended on October 5th. There were 29 payroll checks issued (19 employees of the Airport District; 6 ACAT member and 4 Airport Board members). All payments were deemed appropriate. The last pay period of the quarter which started on December 14th had the entire calendar YTD details reviewed for 19 employees, including vacation, holiday, sick, overtime, regular and special pay hours. There were no unusual items identified.

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

Deposit #1 was a Credit Card deposit totaling \$81,412.59 deposited on 12/6/2013. It was comprised of all the credit card activity for the airport from 12/2 to 12/5 processed by Avfuel. All items were reviewed and deemed appropriate. Deposit #2 was a Hangar deposit dated 12/20 totaling \$20,203. In reviewing the detail this deposit represented one check, #10240, for executive hangar H05. Deposit #3 was an Operations deposit totaling \$2,161.30. This was made up by two check totaling \$2,087.30, a cash deposit of \$70.00 and a coin deposit of \$4.00. All 3 deposits were deemed appropriate.