

## INTERNAL CONTROL REVIEW

Presented to Board of Directors on April 26, 2012

Meeting: Mary Hetherington with Jane Dykstra on April 10, 2012.

Reviewed the AP Check Register for the period from 9/14/2011 through 3/14/2012 (check numbers 48864 through 49355).

Reviewed the LAIF transfers in January, February and March, 2012.

1. Four voided checks (48998 on 10/19/11 to Kevin Smith for \$150.00, 49121 on 11/17/11 to West Coast Asphalt Maintenance for \$15,140.00, 49268 on 12/31/11 to Ferguson Enterprises Inc. for \$48.46, and 49399 on 2/2/12 to Granite Construction Co. for \$113.03). Asked about 49121, which was mistakenly printed and in the file. The money was being held on retention.
2. No out of sequence check numbers. No missing checks.
3. Outstanding checks: 1 check from December (\$75 to Truckee Football), 1 check from January (\$570 to vacating hangar tenant), and 2 checks from February (\$200 return of security deposit to hangar tenant and \$500 to CAP). March checks were just being entered on the date of the interview.
4. Chose the following checks for review:

48975 for \$399.00 and 48977 for \$799.16 to Soar Truckee. Both were issued on 10/13/11. The first check related to the return of hangar deposits, as they were vacating two of their three hangars. The second check related to the return of 142.2 gallons of fuel at the end of their season.

49252 for \$13,230.18 on 12/23/11, 49320 for \$31,965.49 on 1/10/12, and 49382 for \$31,965.50 on 1/26/12, all to Rollapart Buildings. Reviewing the files, 49252 was to remove and replace the skylights with metal roof panels in the maintenance shop. 49320 and 49382 (\$63,930.99) were for repair and reinforcement of the north wall of the L Row hangars due to snow damage. (Spanda constructed the six L Row hangars in 2004 at a cost of \$1,675,000.) Bids for the repairs were solicited from Rollapart in July 2011 and quotes for \$14,000 and \$69,000, respectively, were received on August 29, 2011, and included in the 2011-2012 budget. The new policy requiring three bids for projects greater than \$3,001 was approved by the Board on August 25, 2011. The Contract with Rollapart was signed in December 2011. Although these projects should have had other bids, staff stated that they have been diligent in obtaining the minimum number of bids on other projects since that time.

49381 for \$1,831.00: Al Pombo. Truckee Sanitary District sent a letter to TTAD informing that work was needed on a sewer line and manhole near the Maintenance Building as they were in a "state of deterioration."

49480 for \$1,247.80: ESRI. GIS software support for the period 2/29/12-2/28/13.

5. Reviewed LAIF transfers in 2012. In January, the Nevada County taxes of \$775,346 came into the District and \$600,000 was transferred to LAIF. Also in January, the Placer County taxes of \$1,463,559 came into the District and \$1,450,000 was transferred to LAIF. In February, \$450,000 was transferred back from LAIF to BOW to cover the GLA invoice. On March 29, \$500,000 was transferred from LAIF to BOW and then sent out via wire transfer on March 30 for the Tahoe City Golf Course contribution. Verified LAIF statement, Bank of the West statement, Kevin Smith signature, and General Ledger deposit .
5. Chose one bankcard to review purchases in January.  
Check 49428 for \$1,425.49: Dropbox monthly support, bulk mail, Truckee Pizza for McLaren birthday, fuel, IPad cover, CSDA conference for Martinez, Sheet metal and steel for the new building. This last item (\$769.17) was needed for the Deli and was not covered under the GLA contract.
6. There were five accounts that were added into the General Ledger between January and March: Tahoe City Golf Course acquisition, Facility Use Deposit, Director Technology Expense, Radio Advertising, and Land Management on the airfield (as compared to Waddle Ranch and other off-airport land management costs).
7. In 1998, the Old Building was remodeled to create a space for Amy's Deli, which then also required redoing the bathrooms and entry into the Boardroom, as well as asbestos abatement. The cost of this reconstruction was \$219,523 and it was capitalized over 20 years. As this period was not achieved, \$63,994 (33.5%) was written off. Also written off were \$3,525 (14.2%) in furniture (original cost was \$24,845, purchased in 2003 and assigned a 10 year life) and \$6,140 (21.7%) in traffic counters (original cost was \$28,330, purchased in 2004 and assigned a 10 year life).

#### OTHER ITEMS OF INTEREST

PERS instituted a new internet-based system in July of 2011. Jane no longer has to duplicate her entries.

Other financial management tools that are utilized are FBO Manager, CYMA (a General Ledger accounting system which also automatically calculates monthly depreciation on fixed assets), and Preview (which populates the Paychex system used for labor costs).