

## INTERNAL CONTROL REVIEW:

Submitted for the January 28, 2015 Board Meeting

Sally Lyons & John Jones met on January 22, 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 2nd 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 September was \$10,517,418.17. In October there was one transfer into the Investment Fund of \$6,497.81 for 3<sup>rd</sup> quarter interest at the rate of 0.26%. In October, November and December there were five transfers out of the Investment Fund and into the operating bank account at Bank of the West. The total of these transfers was \$900,000 and they were checked on our Bank of the West Statements as deposits. The balance at the end of the quarter (12/31/14) in the LAIF account was \$9,623,915.98

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

The December 31st account receivable aging's were reviewed. Total receivables at quarters end were \$4,567.00 spread across 4 clients. 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 \$1,138 excluding EAA. There are no aged items over 30 days in these receivables. In addition to normal receivables, we have an FAA grant receivable outstanding totaling \$559,346.12. This is expected to be received in January.

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

The first pay period of December was reviewed. It started on November 30th and ended on December 13<sup>th</sup>. There were 32 payroll checks issued (21 employees of the Airport District; 6 ACAT member and 5 Airport Board

members). We had one extra employee and check due to retiring Jim Meskimen's and his replacement Sarah Person, who joined TTAD in late November. Overtime hours during this pay period totaled 9.98 hours. All payments were deemed appropriate.

The last pay period of the quarter which started on December 14<sup>th</sup> through December 27<sup>th</sup> was reviewed. There were 21 employees and 23 checks being written. This was Jim Meskimen's final pay period and there were two additional checks representing his holiday and vacation payouts. Overtime hours during this pay period totaled 7.32 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 53634 to Qualcon Contractor, Inc. for \$558,853.46; check number 53767 to BankCard Center for \$3,122.63 and check number 53775 to Seana Dhoherty for \$5,625 were chosen at random. All checks had the appropriate documentation and support material.