

INTERNAL CONTROL REVIEW:

Submitted for the November 29, 2017 Board Meeting

Sally Lyon & John Jones met on November 15, 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 February 27, 2018.

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 statements and reconciliation for the month of September was reviewed. All deposits were reviewed. Both reconciliation statements were balanced back to the cash balances in the general ledger.

2. Review the Local Agency Investment Fund (LAIF), the WFB Investment Account and the Placer County Treasurer's Investment Portfolio (PCTIP) activity for the quarter ending March 31, 2017.

The LAIF balance at the beginning of July was \$8,824,033.07. In July there was a transfer into the Investment Fund of \$18,575.09 for our 2nd quarter interest. In August there was one transfer out of the fund in the amount of \$200,000 and a second transfer out of the fund in September in the amount of \$300,000. Both transfers were found in the Bank of the West monthly statements. The balance at the end of the quarter (9/30/17) in the LAIF account was \$8,342,608.16.

The WFB Investment account has five \$250K CD's yielding between 1% and 1.55% and a Money Market account with \$330,738.98. This recent spike in the Money Market Account was caused by the recent maturity of a \$250K CD. Total value in this Investment Account was \$1,578,481.48.

The Placer County Treasurer's Investment Portfolio, was recently opened this quarter with the loan funds of \$7,800,000 raised for the executive hangar expansion project. This portfolio is currently yielding 1.478% and has received interest payments of \$6,637.46 and \$9,484.44 in August & September respectively. The portfolio's balance at the end of the September quarter was \$7,816,121.90.

3. The testing of 3 disbursements in the 3rd quarter to ensure appropriate documentation supporting the disbursements.

The three disbursements that were chosen were:

- a. 8-2-17 \$698.17.00
- b. 9-13-17 \$18,169.97
- c. 9-20-17 \$23,125.00

- a. This disbursement to Aviation Laboratories included 2 invoices items with PO's and appropriate documentation.
- b. This disbursement was for flight tracking support under our NavAid's General Service Agreement for the months of August & September.
- c. This disbursement was to Cold Creek Land Services in conjunction with our Waddle Ranch fuel reduction project.

All disbursements were reviewed and deemed appropriate.

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

Michael Ketron's July, August & September credit card charges were reviewed. There were a total of 8 charges reviewed totaling \$1,580.84. All charges had appropriate documentation regarding the approval process and details of the items purchased.