

INTERNAL CONTROL REVIEW:

Submitted for the April 25, 2018 Board Meeting

Sally Lyons & John Jones met on March 27, 2018 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 in the 1st calendar quarter of 2018.

This review included the following reviews items:

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

The Wells Fargo Investment Account at the end of CY 2017 had 6 CDs currently valued at \$1,494,159.75 that have staggered maturities between February 2018 and December 2019 with coupons returns ranging between 1.15% and 1.75%. The WF Investment Account at the end of the quarter had a balance of \$1,564,937.59. This included the money market account valued at \$83,988.75 with returns of 1.030%. There were no transfers during the quarter to the Bank of the West account from our Investment Account.

The LAIF account (Local Agency Investment Fund) at the end of the quarter was valued at \$5,166,174.01 yielding 1.2%.

The Placer County Treasurer's Investment Portfolio Account at the end of the fiscal and calendar year had a value of \$7,801,785.43. This account represents the proceeds from TTAD's Executive Hangar Funding.

2. Review Journal Entries posted during the quarter looking for unusual entries or entries where items may be posted to unrelated accounts or entries that do not have sufficient explanation.

At the end of the 4th quarter there were 183 journal entries in the General Ledger reviewed by this Board Member. While the number at years end is larger than normal quarters, all entries were deemed normal. There were no unusual entries and no postings to unrelated accounts were observed.

3. Review the aging of accounts receivables looking for older and large outstanding items.

The December 31, 2017 account receivables aging were reviewed. Total receivables at quarters end was total of \$8,115.27. Current receivables (under 30 days) totaled \$3,760.11. The remaining receivables were made up

of a hangar credit for \$6,961.12, five parking fees totaling \$2,000. The parking space receivable challenge has been ongoing at the airport. Three receivables of \$741.13, \$210.52 and \$64. Of these three, all but the \$64 have been paid. However, one large receivable totaling \$8,122 from Wholesale Resort Accessories remains outstanding. The Wholesale Resort was a TTAD tenant who moved out a month early than planned and the balance of \$8,122 is being reviewed by staff for accuracy. We will review the Wholesale Resort AR in three months.

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

The aging of accounts payables were reviewed in as of December 17, 2017. Total payables on this date were \$1,209,483.82 with \$439,928.91 aged in the report. The amount over 151 days totaled \$4,545.16 and was deemed to be clerical errors when recording dates were initially created. (2017 vs. 2018). Mead & Hunt had an aged item totaling \$4,725 which has been cleared. The remainder of the aged items were under 60 days and were deemed acceptable.

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

Michael Lebedeff's December 2017 charges were reviewed. Two charges were reviewed totaling \$2,136.22. Both charges had appropriate documentation regarding the approval process and details of the items purchased. All were viewed as appropriate business charges.