

## INTERNAL CONTROL REVIEW:

Submitted for the September 26, 2018 Board Meeting

Sally Lyon & John Jones met on September 12, 2018 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 November 28, 2018.

This review included the following 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 June 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 June 30, 2018.

The LAIF balance at the beginning of April was \$7,186,174.01. In April there was a transfer into the Investment Fund of \$25,250.74 representing our 2nd quarter interest. In May there was one transfer into the fund in the amount of \$1,800,000 from Bank of the West - account #1604. The balance at the end of the quarter (6/30/18) in the LAIF account was \$9,011,984.31.

The WFB Investment account has six \$250K CD's yielding between 1.15% and 2.3% and a Money Market account with \$95,864.44. The total value in this WFB Investment Account was \$1,584,475.44 at quarters end.

The Placer County Treasurer's Investment Portfolio, was opened in 2017 using the loan funds of \$7,800,000 raised for the executive hangar expansion project. This portfolio is currently yielding 1.849% and has received interest payments of \$10,829.46, \$11,937.52 and \$10,932.27 in April May & June respectively. The transfer of \$587,790.57 to our Bank of the West account was made in June for construction payments and was verified. The portfolio's balance at the end of the June quarter was \$6,674,623/68

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

The June 30th account receivable aging was reviewed. Total receivables at quarters end totaled \$1,553.50 between 30 and 60 days spread across 4 clients. The largest was a receivable of \$520 was for a parking space. There were also a few additional receivables from cancelled contracts requiring adjustments.

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

The second pay period of June was reviewed which started on June 15th and ended on June 28<sup>th</sup>. There were 34 payroll checks issued (28 employees of the Airport District (including 4 temps) and 6 ACAT member. All payments were deemed appropriate 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.

The three deposits that were chosen were:

- |            |          |
|------------|----------|
| a. 6-1-18  | \$2,277  |
| b. 6-6-18  | \$18,613 |
| c. 6-21-18 | \$5,419  |

- a. This deposit included 3 credit card payments.
- b. This deposit included 4 credit card payments
- c. This deposit consisted of 2 ACH type payments.

All deposits were reviewed and deemed appropriate.

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

Kevin Smith's June credit card charges were reviewed. There were a total of 7 charges reviewed totaling \$2,228.03. All charges had appropriate documentation regarding the approval process and details of the items purchased.