

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 26, 2016
“*Communications Received and Filed*” Item

To: Board of Supervisors
From: Department of Finance
Subject: Review Of Dollar Rent A Car Concessionaire With The Department of Airports
For The Period October 1, 2010 To March 31, 2013

Supervisory
District: All

Contact: Ben Lamera, Interim Director of Finance, 874-7450

RECOMMENDATION

Receive and file the attached audit report, *Review of Dollar Rent A Car Concessionaire with the Department of Airports for the period October 1, 2010 to March 31, 2013.*

Respectively submitted,

Ben Lamera
Interim Director of Finance

Attachment 1 - Review of Dollar Rent a Car Concessionaire with the Department of Airports for the period October 1, 2010 to March 31, 2013

**COUNTY OF SACRAMENTO
INTERNAL SERVICES
DEPARTMENT OF FINANCE
AUDITOR-CONTROLLER**

Inter-Departmental Correspondence

May 2, 2016

To: John Wheat
Director of Airports

From: Ben Lamera
Interim Director of Finance

By: Alan A. Matré, C.P.A.
Chief of Audits



Subject: **REVIEW OF DOLLAR RENT A CAR CONCESSIONAIRE WITH
THE DEPARTMENT OF AIRPORTS FOR THE PERIOD
OCTOBER 1, 2010 TO MARCH 31, 2013**

We have performed the procedures enumerated below for Dollar Rent A Car's (Dollar) concessionaire operations at the Sacramento International Airport for the period October 1, 2010 through March 31, 2013. These procedures were performed solely to verify that Dollar reported gross sales and paid the appropriate concessionaire fees, according to their contract with County of Sacramento, Department of Airports (Airports). This agreed upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures we performed are summarized as follows:

- Evaluated the internal controls over accounting and administrative procedures pertaining to the recording of revenues.

Finding: No exceptions were noted as a result of our procedures.

- Performed certain tests of the accounting controls and transactions to determine both the reliability and accuracy of these controls and concessionaire operations.

Finding: No exceptions were noted as a result of our procedures.

- Reviewed revenues reported to Airports by Dollar.

Finding: We noted an issue as a result of our procedures. See *Schedule of Revenue Activity* on Attachment I. Also, see *Finding and Recommendation* on Attachment II.

We were not engaged to, and did not perform an audit, the objectives of which would be the expression of an opinion on the financial statements of Dollar. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Airport's management and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Attachment

cc: Members, Board of Supervisors
Navdeep S. Gill, County Executive
David Villanueva, Chief Deputy County Executive
Camelia Radulescu, Senior Accounting Manager

**County of Sacramento
Department of Airports
Dollar Rent-A-Car
Schedule of Revenue Activity
For the Period October 1, 2010 to March 31, 2013**

**Contract Year
October 1, 2010 to September 30, 2011**

Month	Gross Revenue Reported to Airports	Gross Revenue Reviewed	Concessionaire Fee Calculated	Concessionaire Fee Paid to the Airport	Additional Amount Due/(Overpaid)
October 2010	\$ 1,001,589	\$ 1,001,589	100,159	100,159	
November 2010	802,408	802,408	80,241	80,241	
December 2010	757,856	757,856	75,786	75,786	
January 2011	800,062	800,062	80,006	80,006	
February 2011	802,644	802,644	80,264	80,264	
March 2011	976,515	976,515	97,652	97,652	
April 2011	964,626	964,626	96,463	96,463	
May 2011	1,066,865	1,066,865	106,687	106,687	
June 2011	1,108,988	1,108,988	110,899	110,899	
July 2011	1,357,755	1,357,755	135,776	135,776	
August 2011	1,140,680	1,140,680	114,068	114,068	
September 2011	997,513	997,513	99,751	99,751	
Totals	\$ 11,777,501	\$ 11,777,501	1,177,750	1,177,750	¹

**Contract Year
October 1, 2011 to September 30, 2012**

Month	Gross Revenue Reported to Airports	Gross Revenue Reviewed	Concessionaire Fee Calculated	Concessionaire Fee Paid to the Airport	Additional Amount Due/(Overpaid)
October 2011	\$ 1,028,370	\$ 1,028,370	102,837	102,837	
November 2011	910,812	910,812	91,081	91,081	
December 2011	908,623	908,623	90,862	90,862	
January 2012	820,614	820,614	82,061	82,061	
February 2012	856,866	856,866	85,687	85,687	
March 2012	1,025,850	1,025,850	102,585	102,585	
April 2012	980,667	980,667	98,067	98,067	
May 2012	1,044,269	1,044,269	104,427	104,427	
June 2012	1,150,642	1,150,642	115,064	115,064	
July 2012	1,322,784	1,322,784	132,278	132,278	
August 2012	1,393,644	1,393,644	139,364	139,364	
September 2012	1,133,754	1,133,754	113,375	113,375	
Totals	\$ 12,576,895	\$ 12,576,895	1,257,690	1,257,690	¹

**Contract Year
October 1, 2012 to March 31, 2013³**

Month	Gross Revenue Reported to Airports	Gross Revenue Reviewed	Concessionaire Fee Calculated	Concessionaire Fee Paid to the Airport	Additional Amount Due/(Overpaid)
October 2012	1,047,179	1,047,179	104,718	104,718	
November 2012	947,303	947,303	94,730	94,730	
December 2012	1,024,923	1,024,923	102,492	102,492	
January 2013	931,556	931,556	93,156	93,156	
February 2013	777,396	777,396	77,740	83,853 ²	
March 2013	737,484	737,484	73,749	83,853 ²	
Totals	\$ 5,465,841	\$ 5,465,841	\$ 546,585	562,802	

¹ Dollar is required to pay the greater amount of 10% adjusted gross monthly revenues per month or 80% of the prior year's adjusted gross revenue.

This is called the Minimum Guarantee Amount (MAG). The MAG for contract year 2010-11 is \$979,080. The MAG for Contract year 2011-12 is \$942,200.

² Dollar paid MAG for this month since the MAG amount was higher than the 10% fee due.

³ Dollar closed business activities at Sacramento International Airport in April 2013.

COUNTY OF SACRAMENTO
DEPARTMENT OF AIRPORTS
DOLLAR RENT A CAR
CONTRACT REVIEW
FINDING AND RECOMMENDATION

FOR PERIOD OCTOBER 1, 2010 TO MARCH 31, 2013

Gross Revenue

Comment

During the contract review between the County of Sacramento, Department of Airports (Airports) and Dollar Rent A Car (Dollar), we noted that there were immaterial differences between the total of the rental agreement amounts and Dollar's general ledger. The differences noted were between 0.76% and 1.11% for the months tested. Dollar was unable to provide an explanation or reconciliation to the causes of these differences.

Recommendation

We recommend Dollar make concessionaire fee payments based on gross revenue that is supported by their daily reports. We further recommend Dollar create a process to detect and reconcile the differences between the gross revenue between the total amount on the rental agreements and the amounts on the general ledger.