

**COUNTY OF COLUSA
TREASURY OVERSIGHT COMMITTEE
COMPLIANCE EXAMINATION
FOR THE YEAR ENDED JUNE 30, 2020**



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INDEPENDENT ACCOUNTANTS' REPORT

Members of the Treasury
Oversight Committee
County of Colusa
Colusa, California

We have examined the County of Colusa's compliance with the investment compliance requirements contained in Article 6, Sections 27130-27137 of the California Government Code and the County Investment Policy during the period July 1, 2019, to June 30, 2020. The County Treasury's management is responsible for compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County of Colusa complied in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether County of Colusa complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on compliance with specified requirements.

In our opinion, County of Colusa complied, in all material respects, with the aforementioned investment compliance requirements during the period July 1, 2019 through June 30, 2020.

This report is intended solely for the information and use of the Board of Supervisors, and management and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Roseville, California
February 16, 2021

**COUNTY OF COLUSA
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COMMITTEE MEMBERS

<u>Member</u>	<u>Organization Appointed From</u>
John Loudon	Representing Board of Supervisors
Kent Boes	Representing Board of Supervisors
Robert Zunino	Auditor-Controller
Daniel Charter	Treasurer, Tax Collector
Gail Osborne	Representative of Superintendent of Schools
Barbara Sachs	Special District Representative – RD #1004
Margaret Van Warmerdam	Auditor’s Office Representative
Cindy Dillard	Secretary

**COUNTY OF COLUSA
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FOR THE YEAR ENDED JUNE 30, 2020**

Background and General

In 1995, the California legislature passed provisions requiring each county and city establish an oversight committee of 3 to 11 members representing various organizations (The pool of organizations was also specified in the legislation). The purpose of this committee was to oversee the policies that guide the investment of public funds. The committee was not to impinge on the day-to-day operations of the County Treasurer, but rather to review and monitor the Treasurer's investment policy and reporting. Some counties dissolved their Treasury Oversight Committees when they became optional as a result of new legislation, but other committees have continued to operate, providing ongoing oversight and monitoring compliance with state requirements.

Compliance with Government Code 27133

We examined the requirements specified in Government Code 27133, items a-h, which describe the required contents of the investment policy. We noted that the policy included the following items:

Requirement

Compliant

(a) A list of securities or other instruments in which the county treasury may invest, according to law, including the maximum allowable percentage by type of security.

Yes

(b) The maximum term of any security purchased by the county treasury.

Yes

(c) The criteria for selecting security brokers and dealers from, to, or through whom the county treasury may purchase or sell securities or other instruments. The criteria shall prohibit the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the governing board of the local agency, or any candidate for those offices.

Yes

d) Limits on the receipt of honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other persons with whom the county treasury conducts business by any member of the county treasury oversight committee. These limits may be in addition to the limits set by a committee member's own agency, by state law, or by the Fair Political Practices Commission.

Yes

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<u>Requirement</u>	<u>Compliant</u>
(e) A requirement that the county treasurer provide the county treasury oversight committee with an investment report as required by the board of supervisors.	Yes
(f) The manner of calculating and apportioning the costs, authorized by Section 27013, of investing, depositing, banking, auditing, reporting, or otherwise handling or managing funds.	Yes
(g) The terms and conditions under which local agencies and other entities that are not required to deposit their funds in the county treasury may deposit funds for investment purposes.	Yes
(h) Criteria for considering requests to withdraw funds from the county treasury, pursuant to Section 27136. The criteria shall include an assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the county treasury.	Yes

Compliance with Government Code 27134.

We examined the requirements specified in Government Code 27134. We noted the following:

The County treasury oversight committee shall cause an annual audit to be conducted to determine the county treasury's compliance with this article. The audit may include issues relating to the structure of the investment portfolio and risk.	Yes
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Compliance with Government Code 27135

We examined the requirements specified in Government Code 27135. We noted the following:

The costs of complying with this article shall be county charges and may be included with those charges enumerated under Section 27013.	Yes
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**COUNTY OF COLUSA
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Requirement

Compliant

Compliance with Government Code 27136

We examined the requirements specified in Government Code 27136. We noted the following:

Notwithstanding any other provision of law, any local agency, public agency, public entity, or public official that has funds on deposit in the county treasury pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the county treasury pool, shall first submit the request for withdrawal to the county treasurer before withdrawing funds from the county treasury pool.

Yes

The county treasurer shall evaluate each proposed withdrawal for its consistency, with the criteria adopted pursuant to subdivision (h) of Section 27133. Prior to approving a withdrawal, the county treasurer shall find that the proposed withdrawal will not adversely affect the interests of the other depositors in the county treasury pool.

Yes

Compliance with County Investment Policy

The County's investment policy requires that all investment activities shall be operated in conformance with federal, state and other legal requirements, including but not limited to California Government Code Section 53600, et seq., and Section 27000, et seq.

We examined the County's compliance with the County investment policy as follows:

Reporting – We examined the Treasurer's Quarterly reports which were submitted to the Board of Supervisors to verify that they contained the information specified in the County investment policy. Quarterly reports appeared to be complete with all the required information.

Safekeeping – We examined the Safekeeping arrangements of the Treasurer and verified compliance with information specified in the County investment policy. Safekeeping arrangements appear to be in compliance with the County investment policy.

Investments – We examined the investments to verify that the maximum percentages by category of investment did not materially exceed the allowable percentages specified in the County investment policy. We also examined the investments to verify that maximums for single issuers and maximum term limits were not exceeded at year end. Investments appear to be in compliance with the County investment policy.