



# VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE

## Committee Members

**Supervisor Peter C. Foy**  
District 4, Chair

**Judge Steven Hintz**  
Treasurer-Tax Collector

**Ms. Misty Key**  
Associate Superintendent  
County Superintendent of Schools

**Ms. Lori Mahoney**  
Investment Advisor

## **MEETING AGENDA**

**VENTURA COUNTY GOVERNMENT CENTER  
HALL OF ADMINISTRATION  
ATLANTIC CONFERENCE ROOM, MAIN PLAZA  
800 South Victoria Avenue  
Ventura, California 93009**

**November 4, 2015**

**1:00 P.M.**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Janet Wolfe at (805) 654-3730. Reasonable advance notification of the need for accommodation prior to the meeting (48 hours advance notice is preferable) will enable us to make reasonable arrangements to ensure accessibility to this meeting.

The following information is provided to help you understand, follow, and participate in the Committee meeting:

Pursuant to California Government Code Section 54953 (a) et seq. time is set aside for citizen presentations regarding Committee related issues. Those wishing to speak must fill out a speaker card and submit it to any staff members in attendance. Speaker cards for issues not on the agenda must be submitted to the committee staff prior to the beginning of the public comment period. For agenda item, speaker cards must also be submitted before the item is taken up for consideration.

Members of the public making oral presentations to the Committee in connection with one or more agenda or non-agenda items at a single meeting are limited to a cumulative total of time not to exceed five (5) minutes for all of their oral presentations at such meeting unless otherwise provided. NOTE: The Committee Chair may limit the number or duration of speakers on a matter.

Agenda material is available at <http://www.ventura.org/ttc/treasury-oversight-committee>

## **OPENING**

1. Call to Order.
2. Roll Call.
3. Agenda Review – Consider and approve by majority vote minor revisions and/or ratify inclusion of new items.
4. Approval of Meeting Minutes for March 25, 2015.
5. Committee Members’ and Staff Comments.

## **INFORMATIONAL AGENDA**

6. Receive and File Resolutions from the Blanchard/Santa Paula Library District, the Ventura County Medical Managed Care Commission (DBA Gold Coast Health Plan), and the Oxnard Harbor District to Participate in the Ventura County Treasury Pool.
7. Receive and File the Investment Presentation to the Ventura County Board of Supervisors on May 19, 2015 and September 2015 Monthly Investment Report. *(The September 2015 Monthly Investment Report will be distributed at the Committee’s Meeting on November 4, 2015.)*

## **AGENDA**

8. Review, Discussion, Receive and File the Standard and Poor’s Ventura County Treasury Portfolio Pool Profile Report.
9. Receive and File the Independent Auditor’s Report of Basic Financial Statements of the Ventura County Treasury Investment Pool and the Independent Auditor’s Communication with Those Charged with Governance.
10. Receive and File a Report “February 2015-September 2015 Transactions.”
11. Receive and File the “Annual Treasury Oversight Committee Audit Engagement Letter.”
12. Review, Discussion, and Adoption of the 2014 Local Agency Biennial Notice Conflict of Interest Code (“Notice”); Authorization for the Treasurer-Tax Collector to Sign and File the Notice for Ventura County Treasury Oversight Committee (“Committee”); and Designation of the Clerk of the Ventura County Board of Supervisors as the Committee’s Filing Officer
13. Public Comment - Time set aside for public comments regarding matters not appearing on the regular agenda. (Five minutes total per person).
14. Adjournment/Next Scheduled Meeting: April 6, 2016 at 1:00 P.M.



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: November 4, 2015

### **Agenda Item #4 - Approval of Meeting Minutes for March 25, 2015**

#### Recommendation

Review and approve the meeting minutes for March 25, 2015 (Exhibit 4.1).



# VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE

**March 25, 2015**

**Ventura County Government Center  
Hall of Administration, Main Plaza-Caribbean Room  
800 South Victoria Avenue  
Ventura, CA 93009**

## **MINUTES**

### **Committee Members**

Judge Steven Hintz.....Treasurer-Tax Collector  
Ms. Misty Key ..... Associate Superintendent  
Ms. Lori Mahoney.....Investment Advisor

### **Staff**

Linda Catherine Le ..... Assistant Treasurer-Tax Collector  
Connie Mah..... Treasury Management Division Manager

### **Absent**

Supervisor Peter C. Foy ..... Chair, Board of Supervisor

### **Guest**

Jeff Burgh .....Auditor/Controller

## **OPENING (Items 1-5)**

### **CALL TO ORDER & ROLL CALL**

At 1:05 P.M., Judge Steven Hintz called the meeting of the Ventura County Treasury Oversight Committee ("TOC") to order. Roll is called. All committee members are present, with the exception of Supervisor Foy.

### **AGENDA REVIEW & APPROVAL OF MEETING MINUTES FOR NOVEMBER 17, 2014**

There were no additions or revisions of the Agenda.

Motion: Approve the Meeting Minutes for November 17, 2014

Moved by Ms. Misty Key, seconded by Judge Steven Hintz.

Vote: Motion carried 3-0

### **COMMITTEE MEMBERS' AND STAFF COMMENTS**

Judge Hintz informed the Committee the following entities expressed interest in joining the Ventura County Treasury Pool: Ventura County Medical Managed Care Commission (DBA Gold Coast Health Plan) and Pleasant Valley Recreation and Park District. Judge Hintz expressed the Treasurer-Tax Collector's Office views itself as a financial service institution. The Office will continue to provide and present information so that interested municipal and special district jurisdictions have options to invest excess funds.

Judge Hintz inquired the Committee's expectations so staff can be cognizant of the Committee's interest in order to produce relevant reports for the Committee.

Ms. Lori Mahoney expressed the following comments:

1. What are the Treasurer/Tax Collector's investment worries/concerns?
2. Are there any scarcity in the offered instruments?
3. How does the Treasury perform cash flow projections?
4. Is there a need for a Chief Investment Officer?

Judge Hintz and staff responded to Ms. Mahoney's comments. Ms. Mahoney was satisfied with the responses.

Ms. Misty Key expressed the following comments:

1. What is the progress of new pool participants?
2. What are the number of staff assist in the investment management?

Judge Hintz and staff responded to Ms. Key's comments. Ms. Key was satisfied with the responses.

### **INFORMATIONAL AGENDA**

#### **AGENDA ITEM 6**

*Receive and file January 2015 Investment Report.*

The Committee received and filed a Staff Report as presented.

### **REGULAR AGENDA**

#### **AGENDA ITEM 7**

*Receive and File the Brown Armstrong Audit Report dated March 12, 2015*

Motion: Approve

Moved by Ms. Lori Mahoney, seconded by Judge Hintz.

Vote: Motion carried 3-0

#### **AGENDA ITEM 8**

*Receive An Oral Report Regarding New Investment Purchases, and Receive and File a Report "October 2014-January 2015 Transactions."*

Motion: Approve

Moved by Ms. Misty Key, and seconded by Ms. Lori Mahoney.

Vote: Motion carried 3-0

#### **AGENDA ITEM 9**

*Approval of a Recommendation to the Board of Supervisors to Renew the Current Delegation of Authority to Invest from May 2, 2015 through June 30, 2015; and Approval of a Recommendation to the Board of Supervisors to Renew the Delegation of Authority to Invest from July 1, 2015 through June 30, 2016.*

Motion: Approve

Moved by Ms. Misty Key, seconded Ms. Lori Mahoney.

Vote: Motion carried 3-0

#### **AGENDA ITEM 10**

*Public Comment.*

There were no public comments.

With no further items to discuss, the meeting was adjourned at 2:30 P.M. The next meeting will be convened on Wednesday, November 4, 2015, 1:00 P.M.



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: November 4, 2015

**Agenda Item #6 – Receive and File Resolutions from the Blanchard/Santa Paula Library District, the Ventura County Medical Managed Care Commission (DBA Gold Coast Health Plan), and the Oxnard Harbor District to Participate in the Ventura County Treasury Pool.**

### Recommendation

It is recommended that the Treasury Oversight Committee receive and file the Resolutions.

The Blanchard/Santa Paula Library District, the Ventura County Medical Managed Care Commission (DBA Gold Coast Health Plan), and the Oxnard Harbor District determined that the deposits of excess funds and proceeds in the Ventura County Treasury Pool were in the best interest of the respective jurisdictions.

**RESOLUTION NO. 2014-15: 02**  
**RESOLUTION OF THE BLANCHARD/SANTA PAULA LIBRARY**  
**DISTRICT BOARD OF TRUSTEES**  
**REQUESTING THE INVESTMENT OF EXCESS FUNDS IN THE**  
**VENTURA COUNTY INVESTMENT POOL**

WHEREAS, the District Director has determined or may determine from time to time that the District has excess funds which are not required for immediate use; and

WHEREAS, California Government Code Section 53684 allows the District Director with the consent of the County Treasurer-Tax Collector to deposit the excess District funds in the County Treasury for the purpose of investment by the County Treasurer-Tax Collector; and

WHEREAS, the Board of Trustees has determined that the deposit of excess District funds in the Ventura County Investment Pool in accordance with Section 53684 of the California Government Code is in the best interest of the Blanchard/Santa Paula Public Library District;

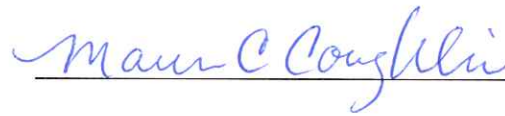
NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Blanchard/Santa Paula Public Library District that:

- Section 1. The deposit and withdrawal of excess District funds in the Ventura County Investment Pool is authorized and will be made in accordance with Section 53684 of the California Government Code as stated therein;
- Section 2. The following Blanchard/Santa Paula Public Library District trustees and officers or their successors in office shall be authorized to order the deposit or withdrawal of excess funds in the Ventura County Investment Pool:

Ned Branch, Interim Director  
 Maureen Coughlin, Trustee  
 Tim Hicks, Trustee  
 Beverly Mueller, Trustee  
 Laura Phillips, Trustee  
 Linda Spink, Trustee

PASSED AND ADOPTED this 25<sup>th</sup> day of November, 2014.

  
Linda Spink, President

  
Maureen Coughlin, Board Clerk

ATTEST:

  
Ned Branch, Interim Director



# CERTIFICATION

STATE OF CALIFORNIA     )  
COUNTY OF VENTURA    )   SS.  
CITY OF SANTA PAULA    )

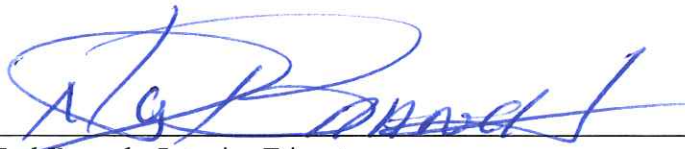
I, NED BRANCH, Interim Director of the Blanchard/Santa Paula Library District, DO HEREBY CERTIFY that the foregoing is a full, true, and correct copy of Resolution No. 2014-15:02, which was duly and regularly passed and adopted by the Board of Trustees of the Blanchard/Santa Paula Library District at a regular meeting held November 25, 2104, by the following vote:

AYES:           Trustees Coughlin, deJamaer, Mueller, Phillips, and Spink

NOES:           None

ASBSENT:       None

IN WITNESS WHEREOF, I have hereunto set my hand.

  
\_\_\_\_\_  
Ned Branch, Interim Director  
Blanchard/Santa Paula Library District

  
\_\_\_\_\_  
Date Attested

# RESOLUTION NO. 2015-004

## A RESOLUTION OF THE VENTURA COUNTY MEDICAL MANAGED CARE COMMISSION, DBA GOLD COAST HEALTH PLAN AUTHORIZING THE INVESTMENT OF MONIES IN THE VENTURA COUNTY TREASURY

Resolution of: Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan

Agency Address: Gold Coast Health Plan  
711 East Daily Drive, Suite 106  
Camarillo, CA 93010-6082

Agency Phone No: (805) 437-5500

**WHEREAS**, Government Code section 53684 et. seq. allows for the deposit of money of a local agency in the County Treasury for purposes of investment by the County Treasurer; and

**WHEREAS**, the Commissioners of the Ventura County Medi-Cal Managed Care Commission, doing business as the Gold Coast Health Plan, hereby find that the deposit and withdrawal of money in the Ventura County Treasury in accordance with Government Code section 53684 et. seq. for the purpose of investment as provided therein is in the best interests of the Ventura County Medi-Cal Managed Care Commission, doing business as the Gold Coast Health Plan;

**NOW THEREFORE, BE IT RESOLVED**, that the Commissioners of the Ventura County Medi-Cal Managed Care Commission, doing business as the Gold Coast Health Plan hereby authorize the deposit and withdrawal of Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan, monies in the Ventura County Treasury in accordance with Government Code section 59684 et. seq. for the purpose of investment as provided therein.

**BE IT FURTHER RESOLVED**, as follows:

Section 1. The following Ventura County Medi-Cal Managed Care Commission, doing business as the Gold Coast Health Plan, officers holding the title(s) specified hereinbelow **or their successors in office** are each hereby authorized to order the deposit or withdrawal of monies in the Ventura County Treasury and may execute and deliver any and all documents necessary or advisable in order to effectuate the purposes of this resolution and the transactions contemplated hereby:

Ruth Watson  
(NAME)

Interim Chief Executive Officer  
(TITLE)

  
(SIGNATURE)

*GIANCARLO*  
John Meazzo  
(NAME)

Interim Chief Financial Officer  
(TITLE)

  
(SIGNATURE)

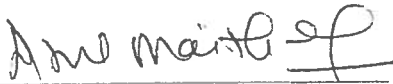
Ruth Watson  
(NAME)

Chief Operations Officer  
(TITLE)

  
(SIGNATURE)

Allen Maithel  
(NAME)

Controller  
(TITLE)

  
(SIGNATURE)

Lyndon Turner  
(NAME)

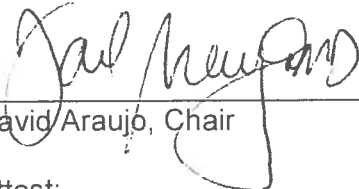
Director of Financial Analysis  
(TITLE)

  
(SIGNATURE)

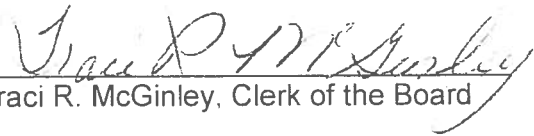
Section 2. This resolution shall remain in full force and effect until rescinded by the Commissioners of the Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan, by resolution and a copy of the resolution rescinding this resolution is filed with the Ventura County Treasurer.

**PASSED, APPROVED AND ADOPTED** by the Ventura County Medi-Cal Managed Care Commission dba the Gold Coast Health Plan at a regular meeting on the 23<sup>rd</sup> day of March, 2015, by the following vote:

**AYE:** Alatorre, Araujo, Fisher, Glyer, Laba, Lee and Pupa.  
**NAY:** None.  
**ABSTAIN:** None.  
**ABSENT:** Dial, Foy and Pawar.


  
David Araujo, Chair

Attest:

  
Traci R. McGinley, Clerk of the Board

I, Traci R. McGinley, Clerk of the Board of the Ventura County Medi-Cal Managed Care Commission, dba Gold Coast Health Plan, hereby certify that Resolution No. 2015-004, was adopted at the March 23, 2015, Commission Meeting and that is a true and correct copy of said document on file in my office.

Dated this 24<sup>th</sup> day of March, 2015.

  
Clerk of the Board  
Ventura County Medi-Cal  
Managed Care Commission  
dba Gold Coast Health Plan

# **RESOLUTION NO. 1154**

## **RESOLUTION OF THE BOARD OF HARBOR COMMISSIONERS OF THE OXNARD HARBOR DISTRICT ("DISTRICT") AUTHORIZING THE INVESTMENT OF DISTRICT FUNDS IN THE VENTURA COUNTY TREASURY INVESTMENT POOL**

**WHEREAS**, the District Treasurer has determined or may determine from time to time, that the District has general funds that are not required for immediate use; and

**WHEREAS**, California Government Code Section 53684 allows the District Treasurer, with the consent of the County Treasurer-Tax Collector, to deposit District funds in the Ventura County Treasury Investment Pool for the purpose of investment by the County Treasurer-Tax Collector; and

**WHEREAS**, the existing District Investment Policy adopted on September 14, 2015, authorizes the investment of District funds in the Ventura County Treasury Investment Pool; and

**WHEREAS**, the District Treasurer has determined that the deposit of District funds in the Ventura County Treasury Investment Pool in accordance with Section 53684 of the California Government Code is in the best interest of the Oxnard Harbor District.

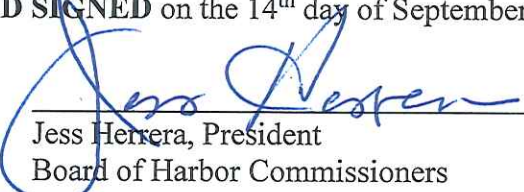
**NOW, THEREFORE BE IT RESOLVED**, by the Oxnard Harbor District Board of Harbor Commissioners as follows:

Section 1. The deposit and withdrawal of District general funds in the Ventura County Treasury Investment Pool is authorized and will be made in accordance with Section 53684 of the California Government Code for the purpose of investment as stated therein.


Section 2. The following Oxnard Harbor District officers or their successors in office are authorized to order the deposit or withdrawal of District funds in the Ventura County Treasury Investment Pool:

Andrew J. Palomares, Chief Finance & Administrative Officer & Treasurer; and  
Austin Yang, Controller & Deputy Treasurer.

**PASSED, APPROVED, ADOPTED AND SIGNED** on the 14<sup>th</sup> day of September 2015.

  
\_\_\_\_\_  
Jess Herrera, President  
Board of Harbor Commissioners  
Oxnard Harbor District

Attest:

  
\_\_\_\_\_  
Arlene Fraser, Secretary  
Board of Harbor Commissioners  
Oxnard Harbor District



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: November 4, 2015

### **Agenda Item 7 – Receive and File the Investment Presentation to the Ventura County Board of Supervisors on May 19, 2015 and September 2015 Monthly Investment Report**

#### Recommendation

It is recommended that the Treasury Oversight Committee receive and file the Investment Presentation to the Board of Supervisors on May 19, 2015 and the September 2015 Monthly Investment Report.

**County of Ventura**  
**TREASURER-TAX COLLECTOR**

# Investment Presentation

**May 19, 2015**



# SUMMARY

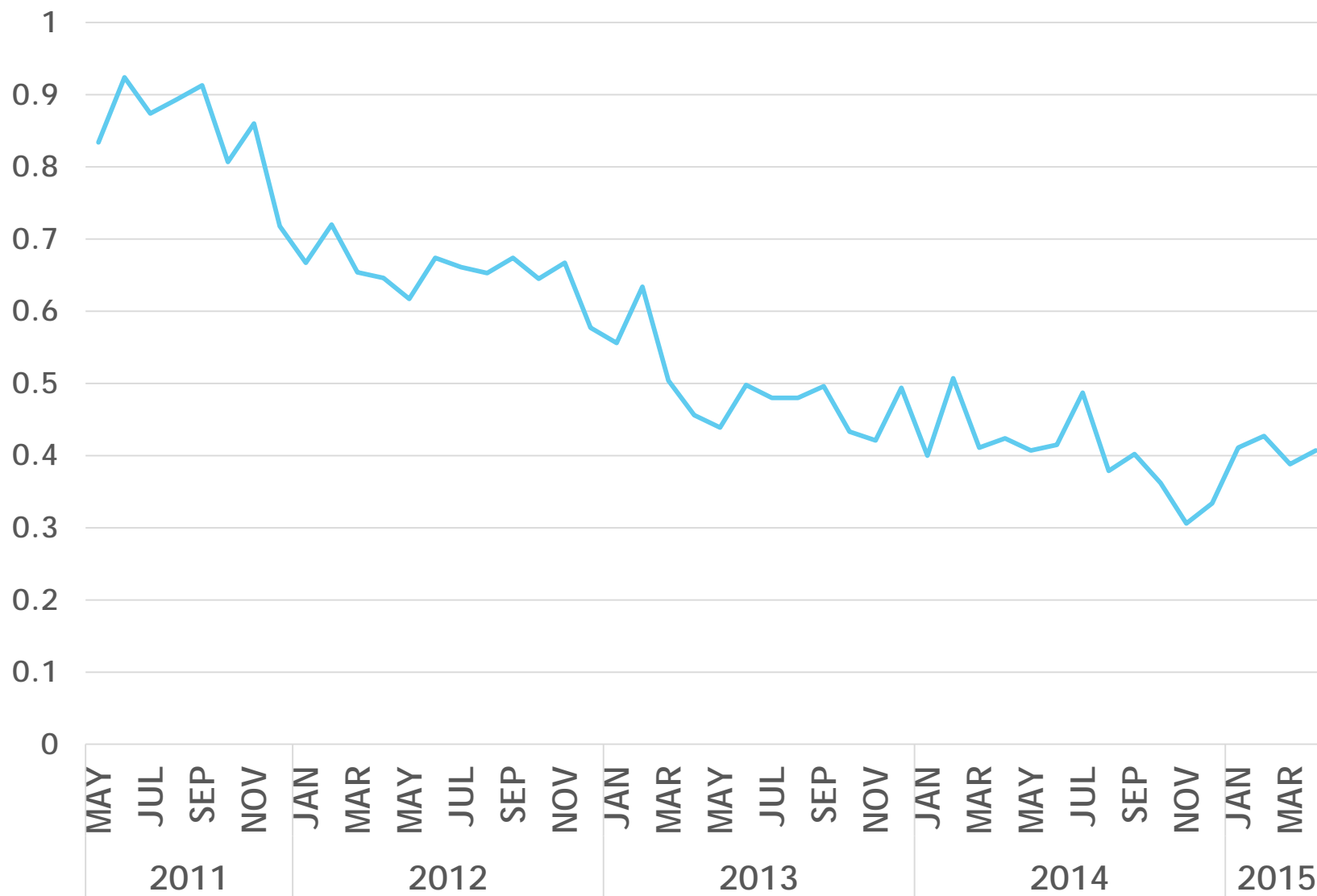
- ▶ **\$2 Billion +/-**
- ▶ **260 participants**
- ▶ **Totally managed in-house**
- ▶ **Expenses = 7 basis points +/-**
- ▶ **Highly-rated AAf/S1+**
- ▶ **Buy and hold**
- ▶ **Short term = <3 year, <365 WADTM, <1 duration**
- ▶ **Policy-driven**
- ▶ **Policy Goals = capital preservation, liquidity, competitive return**
- ▶ **Transparent/internal controls/reviewed/audited**



# HISTORICAL PORTFOLIO SIZE

MONTH	2007	2008	2009	2010	2011	2012	2013	2014	2015
JAN	1.521	1.688	1.996	2.022	2.019	1.836	1.843	1.973	2.140
FEB	1.587	1.729	1.922	1.936	1.923	1.858	1.783	1.942	2.059
MAR	1.584	1.737	1.949	1.988	1.933	1.850	1.810	1.994	2.079
APR	1.806	1.972	2.159	2.135	2.210	1.993	1.895	2.143	2.329
MAY	1.735	1.860	2.007	2.074	2.005	1.874	1.829	1.988	
JUN	1.651	1.722	1.962	1.898	1.947	1.650	1.606	1.893	
JUL	1.477	1.576	1.831	1.787	1.848	1.664	1.740	1.780	
AUG	1.467	1.507	1.783	1.747	1.808	1.630	1.673	1.680	
SEP	1.435	1.480	1.730	1.721	1.819	1.602	1.612	1.695	
OCT	1.511	1.567	1.785	1.699	1.755	1.573	1.603	1.772	
NOV	1.551	1.807	1.818	1.802	1.854	1.608	1.647	1.855	
DEC	1.786	2.068	2.076	2.078	2.010	1.828	1.996	2.134	

# HISTORICAL YIELD



# CURRENT PORTFOLIO

Today's Date:	May 18, 2015	S&P Points:	6.048
Portfolio Size:	2,241.07	Effective Duration:	0.68
Average Days to Maturity:	308		

## Today's Holdings

Sector		% Limit		Current %		Avg Yield	
Commercial Paper		40%		20.30%		0.30	
BkNs	0.00%	BNP	1.12%	Btoky o	2.68%	CanImp	0.00%
CSB	4.55%	Chevron	0.00%	Exxon	0.00%	GE	0.00%
GECC	0.00%	JPM	3.12%	Korea BK	2.36%	Nordea Bk	0.89%
PNC	2.23%	TCPR	0.45%	TMCC	0.22%	Union Bk	2.23%
WestPac	0.00%			Stndrd Chrt.	0.45%		
Medium Term Notes		20%		6.83%		0.40	
3M Corp	0.00%	Australia/NZ	0.00%	Bk of NY	0.55%	Credit Suisse	0.00%
GECC	1.42%	GE CO	1.42%	IBM Corp	0.00%	JP Morgan	0.00%
Microsoft	0.54%	TMCC	0.00%	US Bancorp	0.00%	WFB	1.83%
WFC	1.94%						
Negotiable CD's		30%		0.00%		-	
Yankee CD's		30%		21.42%		0.32	
Bk of Mont	0.00%	Bk of NS	0.00%	Bk of Toky o	1.78%	BNP Paribas	0.00%
Canadian Imp	0.00%	Chiba Ltd.	5.80%	Crdt Indust	0.89%	Korea Dev Bk	0.00%
Nat'l Bk Kwt	7.36%	Ovrsea-Chin	0.00%	Stand Chart	5.58%	Sv nska-HB	0.00%
TorontoDom	0.00%						
U.S. Treasuries		--		1.56%		0.35	
Government Agencies		25% per issuer				0.58	
Federal Home Loan Bank (FHLB)				8.96%		0.42	
Federal National Mortgage Association (FNMA)				2.20%		0.71	
Federal Home Loan Mortgage Corporation (FHLMC)				12.91%		0.64	
Federal Farm Credit Bank (FFCB)				7.38%		0.61	
Federal Agricultural Mortgage Corp (FAMCA)				2.77%		0.52	
Municipal Bonds		30%		2.05%		0.67	
LAIF / CalTrust		\$50MM / \$25MM		2.23%		0.27	
Supranationals		30%		11.38%		0.79	
Other Statistics:							
Callable percentage:		13.56%		Step-up percentage:		0.89%	
Weighted average		1 year 60.146%		2 year 34.485%		3 year 5.370%	
Number of trades waiting to settle**				2 ** not included in the above numbers			
\$10 MM CHIBA BK-YCD 10/1/15, SETTLES 5/19/15				\$10 MM IBRD-SUPRA 5/2/17, SETTLES 5/20/15			

# CHANGES TO SECURITY TYPES

## MAY 2011

❖ <b>Commercial Paper</b>	<b>8%</b>
❖ <b>Treasury/Government Agencies</b>	<b>89%</b>
❖ <b>LAIF</b>	<b>3%</b>

## MAY 2015

❖ <b>Commercial Paper/Yankee CD</b>	<b>42%</b>
❖ <b>Treasury/Government Agencies</b>	<b>36%</b>
❖ <b>LAIF/CalTRUST</b>	<b>2%</b>
❖ <b>Medium Term Notes</b>	<b>7%</b>
❖ <b>Supranationals</b>	<b>11%</b>
❖ <b>Cal-based Municipals</b>	<b>2%</b>



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: November 4, 2015

### **Agenda Item #8 – Review, Discuss, Receive and File Standard and Poor’s Ventura County Treasury Portfolio Report**

#### Recommendation

Review, discuss, receive and file the “Standard and Poor’s Ventura County Treasury Portfolio” Report.



55 Water Street  
New York, NY 10041  
212 438 2000 Tel  
212 438 5075 Fax

July 2, 2015

Ventura County  
800 South Victora Avenue  
Ventura, CA 93009  
Attention: Mr. Steven Hintz, Treasurer - Tax Collector

Re: Ventura County Treasury Portfolio

Dear Mr. Hintz:

Standard & Poor's Ratings Services ("Ratings Services") hereby affirms the "AAAF" fund credit quality rating and "S1+" fund volatility rating for the above-referenced fund.

This letter constitutes Ratings Services' permission for you to disseminate the above-assigned ratings to interested parties in accordance with applicable laws and regulations. Any dissemination on any Website by you or your agents shall include the full analysis for the rating, including any updates, where applicable. To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, Ratings Services may choose to acknowledge such a rating and denote such acknowledgement on [www.standardandpoors.com](http://www.standardandpoors.com) with an alphabetic or other identifier affixed to such rating or by other means.

To maintain the ratings, Ratings Services must receive all information as indicated in the applicable Terms and Conditions. You understand that Ratings Services relies on you and your agents and advisors for the accuracy, timeliness and completeness of the information submitted in connection with the rating[s] and the continued flow of material information as part of the surveillance process. Please send all information via electronic delivery to: [Michael.Masih@standardandpoors.com](mailto:Michael.Masih@standardandpoors.com). If SEC rule 17g-5 is applicable, you may post such information on the appropriate website. For any information not available in electronic format or posted on the applicable website, please send hard copies to: Standard & Poor's Ratings Services, 55 Water Street, New York, New York 10041-0003, Attention: Funds Surveillance Group.

The ratings are subject to the Terms and Conditions, if any, attached to the Engagement Letter applicable to the ratings. In the absence of such Engagement Letter and Terms and Conditions, the ratings are subject to the attached Terms and Conditions. The applicable Terms and Conditions are incorporated herein by reference.

Ratings Services is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at [www.standardandpoors.com](http://www.standardandpoors.com). If you have and questions, please contact us. Thank you for choosing Ratings Services.

Sincerely yours,

The logo for Standard & Poor's, featuring the company name in a stylized, cursive script.

Standard & Poor's Ratings Services

Analytical Contact: Michael Masih  
212 438 1642

/dm



## Standard & Poor's Ratings Services Terms and Conditions Applicable To Credit Ratings

You understand and agree that:

**General.** The credit ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. Credit ratings and other views of Ratings Services are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

**All Credit Rating Actions in Ratings Services' Sole Discretion.** Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private credit rating or a withdrawal of a credit rating, or termination of this Agreement. Ratings Services will not convert a public credit rating to a confidential or private credit rating, or a private credit rating to a confidential credit rating.

**Publication.** Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the credit rating provided hereunder and any analytical reports, including the rationale for the credit rating, unless you specifically request in connection with the initial credit rating that the credit rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private credit rating or the existence of a confidential or private credit rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the credit rating as a public credit rating, including, without limitation, publishing the credit rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public credit ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' credit ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its credit ratings criteria at any time as Ratings Services deems appropriate. The provisions of this paragraph are subject to the restrictions on disclosure of Confidential Information set forth in this Agreement.

**Information to be Provided by You.** For so long as this Agreement is in effect, in connection with the credit rating provided hereunder, you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published credit ratings criteria. The credit rating, and the maintenance of the credit rating, may be affected by Ratings Services' opinion of the information received from you or your authorized agents and advisors. Except for "Excluded Information", as defined below, all information provided to Ratings Services by you or your authorized agents and advisors regarding the credit rating or, if applicable, surveillance of the credit rating, will, as of the date such information is provided, contain no untrue statement of material fact nor omit a material fact necessary in order to make such information, in light of the circumstances in which it was provided, not misleading. Excluded Information means information you cause to be provided by your authorized agents and advisors pursuant to the first sentence of this paragraph with respect to which such agent or advisor has agreed in a writing provided to Ratings Services to make the agreements in this paragraph and to be liable to Ratings Services for



breaches of such agreements to the same extent as if you provided the information directly to Ratings Services hereunder. A material breach of the agreements in this paragraph shall constitute a material breach of this Agreement.

Liability Relating to Information to be Provided by You. To the extent permitted by applicable law, you will be liable to Rating Services and its affiliates for all Losses actually incurred and directly resulting from (x) a material breach of the agreements in the immediately preceding paragraph or (y) a claim that the provision by you or your authorized agents and advisors of information to Ratings Services hereunder infringes or violates the intellectual property rights of a third party. For purposes of this paragraph, “Losses” means losses, damages, liabilities, judgments, costs, charges, expenses and reasonable attorneys’ fees, including any such losses arising from claims asserted by a third party against Ratings Services, in each case as finally determined by a court of competent jurisdiction in a proceeding in which you are a party. Losses do not include amounts resulting from Ratings Services’ gross negligence, intentional wrongdoing or willful misconduct as finally determined by a court of competent jurisdiction in a proceeding in which you are a party.

Confidential Information. For purposes of this Agreement, “Confidential Information” shall mean verbal or written information that you or your authorized agents and advisors have provided to Ratings Services and, in connection with providing such information, have indicated in writing that the information is “Confidential.” Notwithstanding the foregoing, information disclosed by you or your authorized agents and advisors to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party’s disclosure to Ratings Services was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, or (vi) is approved in writing by you or your authorized agents and advisors for public disclosure. Ratings Services is aware that U.S. and state securities laws may impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading and communication policies to that effect.

Ratings Services’ Use of Information. Except as required by applicable law or regulation or otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties.

Ratings Services may (i) use Confidential Information for its credit rating activities, including without limitation, to assign, raise, lower, suspend, place on CreditWatch, or withdraw a credit rating, and assign or revise an Outlook, as well as to make internal determinations about commercial arrangements for its credit rating activities, and (ii) share Confidential Information with its affiliates or agents engaged in the credit ratings business who are bound by appropriate confidentiality obligations (“Ratings Affiliates and Agents”).

Subject to the other provisions herein, Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in other financial services businesses who are bound by appropriate confidentiality obligations (“Other Affiliates and Agents”, and together with Ratings Affiliates and Agents, “Affiliates and Agents”), for modelling, benchmarking and research purposes.

Subject to the other provisions herein, Ratings Services may publish and/or share with its Affiliates and Agents, who also may publish, data aggregated or derived from Confidential Information, excluding data that is specific to and identifies individual debtors, customers or clients.

Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges for itself and on behalf of its affiliates that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services’ or its affiliates’ disclosure of Confidential Information in violation of this Agreement. Ratings Services and its Affiliates and Agents reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you or your authorized agents and advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an “expert” or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an “underwriter” or “seller” as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an “underwriter” or “seller” under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer’s subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury (“OFAC Sanctions”), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, individually or collectively, by one or more persons or entities that is or are the subject of OFAC Sanctions, and (c) to the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC Sanctions. For purposes of clause (c) in this section, “parent” is a person or entity owning or controlling, directly or indirectly, 50% or more of you or the issuer (if you are not the issuer). For so long as this Agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services’ Use of Confidential and Private Credit Ratings. Ratings Services may use confidential and private credit ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services may disclose a confidential or private credit rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent you, the issuer (if you are not the issuer) or Ratings Services from acting in accordance with applicable laws and regulations. Subject to the prior sentence, this Agreement, including any amendment made in accordance with the provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the credit rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your authorized agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your authorized agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a credit rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the credit rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess

of seven times the aggregate fees paid to Ratings Services for the credit rating giving rise to the cause of action, up to a maximum of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Credit Ratings Acknowledged for Use in Other Jurisdictions. To the extent that regulatory authorities allow a credit rating agency to acknowledge in one jurisdiction a credit rating issued in another jurisdiction for certain regulatory purposes, Ratings Services may choose to acknowledge such a credit rating and denote such acknowledgement on [www.standardandpoors.com](http://www.standardandpoors.com) with an alphabetic or other identifier affixed to such credit rating or by other means. Ratings Services reserves the right to assign, withdraw or suspend such acknowledgement at any time and in its sole discretion. If Ratings Services acknowledges such a credit rating for regulatory purposes, all limitations set out herein with respect to a credit rating will apply to such acknowledgment of the credit rating, including without limitation, that such acknowledgement is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the assignment, withdrawal, or suspension of such acknowledgement, even if advised of the possibility of such damages or other amounts, except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence, intentional wrongdoing or willful misconduct of Ratings Services.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

No Third-Party Beneficiaries. Nothing in this Agreement, or the credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the credit rating. No person is intended as a third party beneficiary of this Agreement or of the credit rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns. Subject to the limitations contained in this Agreement, Ratings Services shall be liable for the conduct of its affiliates that would otherwise constitute a breach of the terms of this Agreement if Ratings Services had engaged in such conduct itself.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Governing Law. This Agreement and the credit rating letter(s) shall be governed by the internal laws of the State of New York. The parties irrevocably agree that the state and federal courts of New York located in the County of New York shall be the exclusive forums for any dispute arising out of or relating to this Agreement or the credit rating letter(s) and the parties hereby consent to the personal jurisdiction of such courts.



## VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE

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Date: November 4, 2015

### **Agenda Item #9 – Receive and File the Independent Auditor’s Report of Basic Financial Statements of the Ventura County Treasury Investment Pool and the Independent Auditor’s Communication with Those Charged with Governance**

#### Recommendation

It is recommended that the Treasury Oversight Committee receive and file the Independent Auditor’s Report of Financial Statements of the Ventura County Treasury Investment Pool as of June 30, 2014.

Government Code Section 26920(b) requires that on an annual basis, the Auditor-Controller shall perform or cause to be performed an audit of the assets of the County Treasury.

Prior to 2013, the Auditor-Controller’s Office (“ACO”) performed an annual audit of the Statement of Money in County Treasury. According to the ACO, due to changes in auditing standards, the Internal Audit Division of the ACO will no longer perform the annual audit.

The ACO contracted Vavrinek, Trine, Day & Co., LLP (“VTD”) to perform the audit in May 2014 for the fiscal year ending June 30, 2014.

The independent audit of basic financial statements of the Ventura County Treasury Investment Pool was presented to the Ventura County Board of Supervisors on June 16, 2015. This was the first year that the Treasury prepared a “Statement of Net Position” and a “Statement of Changes in Net Position” in accordance with generally accepted accounting principles. Prior to 2014, the Treasury prepared the “Statement of Money in County Treasury,” which met the minimum requirement of government code. The reporting change resulted in a greater transparency and accountability on investment performance.

As identified by VTD, there were no material weaknesses in internal control over financial reporting and no instances of noncompliance.

JEFFERY S. BURGH  
AUDITOR-CONTROLLER

COUNTY OF VENTURA  
800 SOUTH VICTORIA AVE.  
VENTURA, CA 93009-1540



ASSISTANT  
AUDITOR-CONTROLLER  
JOANNE McDONALD

CHIEF DEPUTIES  
VALERIE BARRAZA  
BARBARA BEATTY  
JILL WARD  
MICHELLE YAMAGUCHI

June 16, 2015

Honorable Board of Supervisors  
County of Ventura  
800 South Victoria Avenue  
Ventura, CA 93009

**SUBJECT: Receive and File the Independent Audit of Basic Financial Statements of the Ventura County Treasury Investment Pool and the Independent Auditors' Communication with Those Charged with Governance**

**RECOMMENDATION:** Receive and file.

**FISCAL/MANDATES IMPACT:** None.

**DISCUSSION:**

California Government Code Section ("GC §") 26920(b) prescribes that the Auditor-Controller annually perform or cause to be performed an audit of the assets in the County Treasury. We contracted with an independent certified public accounting firm, Vavrinek, Trine, Day & Company ("VTD"), to audit the Ventura County Treasury Investment Pool as of June 30, 2014. The audit is attached as Exhibit 1.

This was the first year that the Treasury prepared a *Statement of Net Position* and a *Statement of Changes in Net Position* in accordance with generally accepted accounting principles. For past annual audits, the Treasury prepared the *Statement of Money in County Treasury*, which met the minimum requirements of GC § 26920(b). The financial reporting change was made to increase transparency and accountability on investment performance.

Honorable Board of Supervisors  
June 16, 2015  
Page 2

VTD issued an unmodified opinion, indicating that the financial statements present fairly, in all material respects, the financial position of the \$1.9 billion Ventura County Treasury Investment Pool and the changes in financial position as of and for the year ended June 30, 2014. VTD identified no material weaknesses in internal control over financial reporting and no instances of noncompliance required to be reported under *Government Auditing Standards*.

The Treasurer-Tax Collector provided the following clarification regarding the audit reports:

Additional context is needed regarding omission of Management's Discussion and Analysis ("MD&A") as noted in the attached reports. The significance of the MD&A is to "discuss the current-year results in comparison with the prior year, with emphasis on the current year". Because this was the inaugural year of Treasury submitting an independent set of financial statements of the Investment Pool, it was mutually agreed and supported that the MD&A omission was justifiable since the requisite comparative data would have been limited. In addition, an omission would have no material impact to the overall opinion.

Although the Governmental Accounting Standards Board ("GASB") requires the MD&A, the Government Finance Officers Association issued best practice guidance stating that there is no authoritative standard addressing the contents of separately issued financial reports of units that are not legally separate (e.g., Treasury). However, VTD has taken the stance that the American Institute of Certified Public Accountants' position is that the MD&A should be considered and included as part of the financial statement package. Going forward, Treasurer-Tax Collector's Office has the inaugural financial statements and data to include a relevant and meaningful MD&A in its separately issued Generally Accepted Accounting Principles based financial statements.

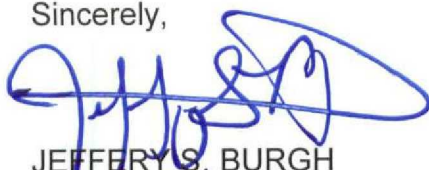
In addition, auditing standards require that auditors communicate with those charged with governance certain significant matters related to the audit. The term *those charged with governance* refers to those with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity, including overseeing the entity's financial reporting process. The document attached as Exhibit 2 communicates such matters to the County's Board of Supervisors.

Honorable Board of Supervisors  
June 16, 2015  
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This item has been reviewed by the Treasurer-Tax Collector, County Executive Office, and County Counsel.

If you have any questions, please call me at 654-3151.

Sincerely,



JEFFERY S. BURGH  
Auditor-Controller

Exhibits:

- Exhibit 1 – Ventura County Treasury Investment Pool – Audited Basic Financial Statements
- Exhibit 2 – Independent Auditors' Communication with Those Charged with Governance

cc: Honorable Steven Hintz, Treasurer-Tax Collector  
Michael Powers, County Executive Officer  
Leroy Smith, County Counsel

**VENTURA COUNTY  
TREASURY INVESTMENT POOL  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**



**VENTURA COUNTY TREASURY INVESTMENT POOL  
BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

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## INDEPENDENT AUDITORS' REPORT

To the County Board of Supervisors  
 County of Ventura, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Treasury Investment Pool (Investment Pool) of the County of Ventura, California (County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Investment Pool's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Investment Pool, as of June 30, 2014, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 1, the financial statements present only the activities of the Investment Pool and do not purport to, and do not, present fairly the financial position of the County as of June 30, 2014, and the changes in its financial position for the year ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 11, 2015, on our consideration of the County's internal control over financial reporting as it relates to the Investment Pool, and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



Rancho Cucamonga, California  
May 11, 2015

**VENTURA COUNTY TREASURY INVESTMENT POOL**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2014**

Assets

Cash and Deposits (Note 2)	\$ 61,133,529
Investments (Note 2)	1,836,849,470
Interest Receivable (Note 3)	<u>9,657</u>
Total Assets	<u>\$ 1,897,992,656</u>
Net Position Held in Trust for Pool Participants	<u><u>\$ 1,897,992,656</u></u>

See accompanying notes to the basic financial statements.

**VENTURA COUNTY TREASURY INVESTMENT POOL  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014**

Additions:

Participants' Deposits	\$ 4,538,108,974
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## Investment Income:

Interest Income	\$ 8,148,407
Gain on Sale of Investment	828,597
Net Decrease in Fair Value	<u>(1,025,497)</u>

Net Investment Income (Loss)	<u>7,951,507</u>
Total Additions	<u><u>4,546,060,481</u></u>

Deductions:

Participants' Withdrawals	4,540,233,553
Treasury Administrative Expense	<u>1,477,236</u>
Total Deductions	<u><u>4,541,710,789</u></u>

Net Increase in Net Position	4,349,692
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Beginning Net Position Held in Trust for Pool Participants	<u>1,893,642,964</u>
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Ending Net Position Held in Trust for Pool Participants	<u><u>\$ 1,897,992,656</u></u>
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See accompanying notes to the basic financial statements.

**VENTURA COUNTY TREASURY INVESTMENT POOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Financial Reporting Entity**

The Ventura County Investment Pool (“Investment Pool”) is part of the County of Ventura (“County”) and is responsible for assets of approximately \$1.9 billion as of June 30, 2014. The Investment Pool is administered by the Treasurer-Tax Collector, an elected official that manages pooled funds under the prudent investor rule which states that:

“Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.”

The Investment Pool is not registered with the U.S. Securities and Exchanges Commission as an investment company. The Investment Pool is comprised of the County, local school districts, local community colleges and other districts and agencies. Legal provisions require certain special districts to participate in the County’s Investment Pool including public school districts, cemetery districts, recreation and park districts, and the Air Pollution Control District. Involuntary participants in the Investment Pool comprise approximately 41%. The Treasurer-Tax Collector’s authority to invest is delegated by the Board of Supervisors in accordance with California Government Code Section (“GC §”) 53607. The Investment Pool’s investment objectives are to safeguard principal, meet the liquidity needs of the participants, and return an acceptable yield within the parameters of prudent risk management.

Pursuant to GC §27130-27137, the Board of Supervisors has established the Treasury Oversight Committee (“TOC”) which monitors and reviews the Statement of Investment Policy (“Policy”). The TOC consists of Ventura County officials, representatives from various pool participants, and members of the public. The Treasurer also reports on a monthly basis to the Board of Supervisors.

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The accompanying financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, earnings on investments are recognized as revenue in the period in which they are earned and administrative costs are recognized as expenses when incurred, regardless of the timing of related cash flows. Interest earned on pooled investments is allocated quarterly to the appropriate funds based on each fund’s respective average daily balance for that quarter. Investment pool participants’ deposits and withdrawals are based on amortized cost basis, while investments are reported at fair value.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from these estimates.

**VENTURA COUNTY TREASURY INVESTMENT POOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Gains and Losses**

Unrealized gains and losses of securities are determined by taking the difference between amortized cost and the fair value of investments. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of investments. Realized gains and losses on investments that were held in more than one fiscal year and sold in the current year were included as a change in the fair value of investments reported in the prior years and current year.

**NOTE 2 - CASH AND INVESTMENTS**

**Deposits**

At June 30, 2014, the carrying amount of the County's deposits was \$61,133,529 and total bank balances amounted to \$73,846,559. Of the bank balances, \$250,000 was covered by federal depository insurance and \$73,596,559 was uninsured. The total bank balance reflects a need to keep funds available for cash flow purposes. The uninsured deposits were held by a financial institution, which is legally required by the GC to collateralize the County's deposits by pledging government securities or first trust deed mortgage notes. In accordance with GC §53652, the market value of the pledged securities and first trust deed mortgage notes must be at least 110 percent and 150 percent of the County's deposits, respectively, as provided for in the County's Contract for Deposit of Moneys.

**Custodial Credit Risk - Deposits**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. For deposits, this risk is mitigated through federal depository insurance coverage and collateralization in accordance with GC §53652 as explained in detail above.

**Investments**

The Policy, which is more restrictive than required by GC §53635, stipulates the type, maturity limit, credit rating, and diversification of securities comprising the investment pool. The objectives of the Policy, in order of priority, are: safety of principal, maintenance of liquidity, and earning a competitive rate of return. The Policy, in compliance with GC §53635, authorizes the Treasurer to invest in the following: obligations of the U.S. Treasury, agencies and instrumentalities, or commercial paper rated A-1 or better by Standard and Poor's Ratings Services, P-1 by Moody's Investor Service, or F1 or better by Fitch Ratings, Commercial Paper, bankers' acceptances, repurchase agreements, corporate notes, negotiable certificates of deposit and Yankee certificates of deposit, obligations of the State of California, and obligations of any local agency within California.

**VENTURA COUNTY TREASURY INVESTMENT POOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Treasury Pool investments are accounted for in accordance with the provisions of GASB 31, *Accounting and Financial Reporting for Certain Investments, and for External Investment Pools*, which requires governmental entities to report certain investments at fair value in the statement of net position and recognize the corresponding change in fair value of investments in the year in which the change occurred. The fair value of pooled investments is determined monthly and is provided by the custodian bank.

The County Treasurer calculates and records all interest earned, received, and accrued for the Treasurer's Investment Pool on a daily basis. Interest earned on the pooled investments is apportioned quarterly based on the average daily balance of each pool participant.

**Credit Risk**

State law and the Policy limit investments in commercial paper to those with the rating of A-1 or better by Standard & Poor's or P-1 by Moody's Investors Service. State law limits investment in medium term notes to a rating of A or better by Standard & Poor's or Moody's Investors Service; the Policy limits the short term ratings to A-1 or higher by Standard's and Poor's, P-1 by Moody's, and F1 or higher by Fitch Ratings, in addition, the Policy limits the long-term ratings to A or higher by Standard and Poor's, A2 or higher by Moody's, and A or higher by Fitch Ratings. State law does not limit investments in Municipal notes, bonds, and other obligations; the Policy limits the long-term ratings to A or higher by Standard and Poor's, A2 or higher by Moody's, and A or higher by Fitch Ratings. The County does not have credit limits on government agency securities. Certificates of deposit are required to be insured by the FDIC.

**Custodial Credit Risk - Investment**

This is the risk that, in the event of failure by the counterparty to a transaction, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Securities purchased by the Investment Pool are held by a third-party custodian, Wells Fargo Institutional Retirement Business, in their trust department to mitigate custodial risk.

**Concentration of Credit Risk**

In accordance with GASB 40, *Deposit and Investment Risk Disclosures*, disclosure is required for instruments in any one issuer that represents 5% or more of the Investment Pool holdings and are not explicitly guaranteed by the United States Government. State law and the Policy limit investments in commercial paper to 40% of the investment pool and 10% of the investment pool per issuer. State law limits investments in medium term notes to 30% of the investment pool; the Policy limit is 20% of the investment pool. State law and the Policy limit investments in negotiable certificates of deposit to 30% of the investment pool.



**VENTURA COUNTY TREASURY INVESTMENT POOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

The table below identifies the investment types that are authorized by the County, along with the related concentration of credit limits:

Investment Type	Maximum Maturity		Maximum Percentage of Portfolio		Maximum Investment In One Issuer		Minimum Rating	
	Gov. Code	Pool Policy	Gov. Code	Pool Policy	Gov. Code	Pool Policy	Gov. Code	Pool Policy
U.S. Agency Securities	5 years	3 years	None	None	None	25%	None	None
U.S. Treasury Bills, Notes, and Bonds	5 years	3 years	None	None	None	None	None	None
Commercial Paper	270 days	270 days	40%	40%	10%	10%	A-1	A-1 / P-1
Medium Term Notes	5 years	2 years	30%	20%	None	None	A	A-1 / P-1
Municipal Notes, Bonds, and Other Obligations	5 years	3 years	None	None	None	None	None	A-1 / P-1
Negotiable Certificates of Deposit and Yankee Certificates of Deposit	5 years	186 days	30%	30%	None	None	None	A-1 / P-1
Certificates of Deposit	5 years	375 days	30%	30%	None	None	None	A-1 / P-1
Local Agency Investment Fund	N/A	N/A	None	\$50 million	None	None	None	None
CalTrust	N/A	N/A	None	\$20 million (1)	None	None	None	Aaf
California Asset Management Program	N/A	N/A	None	\$20 million (1)	None	None	None	AAAm

Source: TTC Investment Policy

(1) – combined cannot exceed \$20 million

**VENTURA COUNTY TREASURY INVESTMENT POOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

The following is a summary of the credit quality distribution and concentration of credit risk as a percentage of the investment pool's market value at June 30, 2014.

Investments at June 30, 2014	Standard & Poor's	Moody's	% of Investment Pool
Federal Home Loan Mortgage Corporation	AA+	Aaa	13.42%
Federal National Mortgage Association	AA+	Aaa	11.63%
Bank of Tokyo-Mitsubishi (CP)	A-1	P-1	7.51%
Deutsche Bk Finl (CP)	A-1	P-1	7.40%
Credit Suisse AG (CP)	A-1	P-1	7.35%
Societe Gen No Amer (CP)	A-1	P-1	6.69%
Wells Fargo Bank (MTN)	AA-	Aa3	5.75%
National Bank of Kuwait (YCD)	A-1	P-1	5.72%
BNP Paribas Finance (CP)	A-1	P-1	3.84%
Federal Farm Credit Banks	AA+	Aaa	3.78%
Korea Development BK (YCD)	A-1	P-1	2.45%
Credit Suisse AG Cert (YCD)	A-1	P-1	2.18%
Standard Chartered Bk (YCD)	A-1	P-1	2.18%
General Electric Cap Corp (MTN)	AA+	A1	2.09%
BNP Paribas NY (YCD)	A-1	P-1	1.91%
JP Morgan Securities (CP)	A-1	P-1	1.85%
Bank of New York Mellon (MTN)	AA-	Aa2	1.53%
Deutsche Bank AG (YCD)	A-1	P-1	1.36%
JP Morgan Chase (MTN)	A+	Aa3	1.23%
California St Txbl (Muni)	A	Aa3	1.22%
Credit Suisse New York (MTN)	A	A1	1.20%
Federal Home Loan Banks	AA+	Aaa	0.93%
Korea Development Bk (CP)	A-1	P-1	0.82%
Cal TRUST	AA	N/R	0.82%
Richmond CA TRANS (Muni)	AA-	N/R	0.66%
Svenska Handelsbnkn (CD)	A-1	P-1	0.57%
Bank of Montreal (CD)	N/R	P-1	0.54%
Farmer Mac	AA+	Aaa	0.54%
Wells Fargo Bank(CD)	A-1	P-1	0.54%
US Bancorp (MTN)	A+	A1	0.46%
LAIF	AA	N/R	0.38%
Mellon Bank NA (MTN)	AA-	Aa2	0.37%
Univ of California (Muni)	AA	Aa2	0.37%
Union Bank NA (CP)	A-1	P-1	0.27%

**VENTURA COUNTY TREASURY INVESTMENT POOL**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Investments at June 30, 2014	Standard & Poor's	Moody's	% of Investment Pool
California Street Build (Muni)	A	Aa3	0.15%
US Bank National (MTN)	A+	A1	0.07%
Anaheim CA City (Muni)	N/R	Aa3	0.07%
Riverside CNTY CA (Muni)	AA-	N/R	0.06%
Ventura CNTY Calif. (Muni)	AA	Aa2	0.03%
San Diego CA (Muni)	AA-	Aa3	0.03%
Santa Rosa CA (Muni)	AA-	N/R	<u>0.03%</u>
Total			<u>100.00%</u>

**Interest Rate Risk**

Through its Policy, the County manages its exposure to market value losses arising from increasing interest rates by limiting the weighted average maturity of the investment pool's holdings to 375 days. At June 30, 2014, the weighted average maturity of the investment pool was 290 days.

The County's investments at June 30, 2014, are summarized below (in thousands):

Amounts Invested in Pooled Treasury Fund:	Cost	Market Value	Weighted Average Maturity (Years)	Weighted Average Maturity (Days)
U.S. Agency Obligations	\$ 558,412	\$556,650	1.97	720
Commercial Paper	655,246	656,273	0.19	68
Medium Term Corporate Notes	236,397	233,546	0.67	243
Certificates of Deposit	320,408	320,412	0.13	49
Municipal Bonds	48,335	47,968	0.82	299
CalTrust	15,000	15,000		1
LAIF	7,000	7,000		1
Total Investments	<u>\$ 1,840,798</u>	<u>\$ 1,836,849</u>	<u>0.79</u>	<u>290</u>

**VENTURA COUNTY TREASURY INVESTMENT POOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**California Local Agency Investment Fund (LAIF)**

The Investment Pool maintains an investment in the State of California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. At June 30, 2014, the County's investment in LAIF was \$7,000,000 which approximates fair value and is the same as the value of the pool shares, which is determined on a full cost basis.

**CalTrust and California Asset Management Program (CAMP)**

The policy authorizes the Treasurer-Tax Collector to invest in The Investment Trust of California, doing business as CalTrust, and in California Asset Management Program (CAMP), California joint powers authorities in which the local agencies may invest funds pursuant to GC §53601(p). The combined investment in CalTrust and CAMP shall not exceed \$20,000,000. At June 30, 2014, the County's investment in CalTrust was \$15,000,000 which approximates fair value and is the same as the value of the pool shares, which is determined on an amortized cost basis.

A summary of the interest rate percentage range and the maturity range at June 30, 2014, of investments held by the County Treasurer is as follows:

Investments	Interest Rate Range	Interest Rate Range	
	(Yield Rate)	(Coupon Rate)	Maturity Range
LAIF	0.228 – 0.271	0.228 – 0.271	Day-to-Day
Commercial Paper	0.130 – 0.441	0.130 – 0.440	07/01/14 – 12/15/14
U.S. Agency Obligations	0.266 – 1.100	0.266 – 5.250	07/05/14 – 04/20/17
Medium Term Corporate Notes	0.249 – 0.900	0.700 – 6.900	09/15/14 – 05/09/16
Certificates of Deposit	0.145 – 0.300	0.150 – 0.310	07/02/14 – 10/21/14
Municipal Bonds	0.125 – 1.350	0.342 – 5.450	07/01/14 – 11/01/16
CalTrust	0.320 – 0.500	0.320 – 0.500	Day-to-Day

**Foreign Currency Risk**

The Investment Pool does not have any foreign currency risk as all investments in the Investment Pool are in U.S. dollar-denominated assets.

**VENTURA COUNTY TREASURY INVESTMENT POOL  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**NOTE 3 – INTEREST RECEIVABLE**

Interest receivables consist of interest accrued on investments including interest purchased with certain securities. At June 30, 2014, the Investment Pool had \$9,657 of interest receivable.

**NOTE 4 – INVESTMENT INCOME**

Investment income includes interest, gains and losses on sales of investments by the Treasurer-Tax Collector, less the decrease in fair value. As of June 30, 2014, the investment income was comprised of the following:

Interest	\$ 8,148,407
Gain on Sale of Investment	828,597
Net (Decrease) in Fair Value	<u>(1,025,497)</u>
Treasury Pool Investment Income	<u>\$ 7,951,507</u>

**NOTE 5 – INTEREST APPORTIONMENT**

Interest shall be apportioned to all pool participants quarterly, based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the Investment Pool. Using full accrual basis, the amount of interest apportioned shall be determined using the accrual method of accounting, whereby interest will be apportioned for the quarter in which it was actually earned. The Treasurer-Tax Collector may deduct from the gross interest earnings those administrative costs relating to the management of the Treasury, including salaries and other compensation, banking costs, equipment costs, supplies, the cost of information services, cashiering, accounting, depositing of public funds, audit, and any other costs as provided by GC §27013, 27133(f), and 27135.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the County Board of Supervisors  
County of Ventura, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Treasury Investment Pool (Investment Pool) of the County of Ventura, California (County), as of and for the year ended June 30, 2014, and the related notes to the financial statements, and have issued our report thereon dated May 11, 2015. Our report included an emphasis of matter that the financial statements do not purport to, and do not, present fairly the financial position of the County. Also, our report notes that the financial statements do not include management's discussion and analysis.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as it relates to the Investment Pool, to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Rancho Cucamonga, California  
May 11, 2015



To the County Board of Supervisors  
County of Ventura, California

We have audited the financial statements of the Treasury Investment Pool (Investment Pool) of the County of Ventura, California (County), for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the County Investment Pool's financial statements was management's estimates used in determining the fair market value of investments. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated May 11, 2015.



*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the County Investment Pool’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

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



Rancho Cucamonga, California  
May 11, 2015



## **VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE**

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Date: November 4, 2015

**Agenda Item #10 – Receive and File a Report “February 2015 through September 2015 Transactions**

### Recommendation

Receive and file “February 2015 through September 2015 Transactions” report.

## FEBRUARY - SEPTEMBER 2015 TRANSACTIONS

Transaction Date	Purchase/ Sale	Par Amount	Security Type	Security Name	Maturity Date	Yield
02/02/15	Purchase	20.00	CP	MUFG UNION BANK NA	07/27/15	0.26
02/02/15	Purchase	10.00	CP	TOYOTA MOTOR CREDIT CORP	07/27/15	0.25
02/02/15	Purchase	15.00	SUPRANATIONALS	IBRD DISCOUNT NOTE	03/20/15	0.055768
02/04/15	Purchase	20.00	SUPRANATIONALS	IADB DISCOUNT NOTE	03/20/15	0.050698
02/04/15	Purchase	10.00	YCD	NATIONAL BANK OF KUWAIT NY	03/23/15	0.202
02/05/15	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	03/23/15	0.15
02/09/15	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	03/19/15	0.16
02/10/15	Purchase	25.00	GA	FAMCA	02/10/16	0.30
02/10/15	Purchase	7.00	YCD	NATIONAL BANK OF KUWAIT NY	03/18/15	0.20
02/11/15	Purchase	5.00	YCD	NATIONAL BANK OF KUWAIT NY	03/19/15	0.20
02/23/15	Purchase	20.00	CP	BANK OF TOKYO MIT UFJ NY	03/09/15	0.14
02/24/15	Purchase	20.00	YCD	CHIBA BANK	09/14/15	0.39
02/24/15	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	04/24/15	0.18
02/26/15	Purchase	3.340	MUNI	SANTA CLARA VALLEY CA	04/01/18	1.100
02/26/15	Purchase	20.00	CP	BANK OF TOKYO MIT UFJ NY	04/27/15	0.19
02/26/15	Purchase	20.00	YCD	NATIONAL BANK OF KUWAIT NY	08/26/15	0.39
03/02/15	Purchase	20.00	YCD	NATIONAL BANK OF KUWAIT NY	09/16/15	0.38
03/16/15	Purchase	20.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	03/16/18	1.23
03/18/15	Purchase	10.00	YCD	NATIONAL BANK OF KUWAIT NY	05/01/15	0.22
03/19/15	Purchase	15.00	CP	BANK OF TOKYO MIT UFJ NY	04/20/15	0.16
03/20/15	Purchase	20.00	YCD	NATIONAL BANK OF KUWAIT NY	05/01/15	0.22
03/24/15	Purchase	15.00	YCD	CHIBA BANK	05/01/15	0.18
03/24/15	Purchase	10.00	GA	FHLB	03/24/17	0.690994
03/24/15	Purchase	20.00	CP	BANK OF TOKYO MIT UFJ NY	05/01/15	0.160027
03/25/15	Purchase	15.00	YCD	NATIONAL BANK OF KUWAIT NY	05/01/15	0.21
03/26/15	Purchase	3.750	GA	FFCB	08/11/16	0.569594
03/26/15	Purchase	5.00	GA	FFCB	12/12/16	0.611702
03/26/15	Purchase	25.00	YCD	STANDARD CHART NY	12/21/15	0.53

03/27/15	Purchase	10.00	YCD	NATIONAL BANK OF KUWAIT NY	12/22/15	0.54
03/27/15	Purchase	6.00	CP	BANK OF TOKYO MIT UFJ NY	05/01/15	0.160025
03/30/15	Purchase	10.00	GA	FHLMC	03/30/17	0.75
03/30/15	Purchase	5.00	GA	FHLMC	06/30/17	0.90
03/30/15	Purchase	30.00	CP	BANK OF TOKYO MIT UFJ NY	05/01/15	0.15
03/31/15	Purchase	20.00	CP	BANK OF TOKYO MIT UFJ NY	05/04/15	0.16
04/01/15	Purchase	15.00	CP	BANK OF TOKYO MIT UFJ NY	05/04/15	0.16
04/02/15	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	05/04/15	0.16
04/06/15	Purchase	2.00	GA	FAMCA	03/06/18	0.960856
04/08/15	Purchase	20.00	YCD	NATIONAL BANK OF KUWAIT NY	07/08/15	0.26
04/09/15	Purchase	20.00	YCD	CHIBA BANK	07/02/15	0.27
04/09/15	Purchase	8.275	GA	FHLB	04/08/16	0.300253
04/09/15	Purchase	20.00	YCD	BANK OF TOKYO MIT UFJ NY	07/10/15	0.24
04/10/15	Purchase	25.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	04/10/17	0.67
04/10/15	Purchase	15.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	04/10/17	0.604508
04/10/15	Purchase	10.00	CP	STANDARD CHARTERED	07/15/15	0.24
04/10/15	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	07/15/15	0.23
04/13/15	Purchase	10.00	YCD	NATIONAL BANK OF KUWAIT NY	08/10/15	0.32
04/13/15	Purchase	10.00	YCD	STANDARD CHARTERED NY	08/11/15	0.25
04/13/15	Purchase	10.00	CP	MUFG UNION BANK NA	08/13/15	0.23
04/14/15	Purchase	10.00	YCD	NATIONAL BANK OF KUWAIT NY	08/26/15	0.32
04/15/15	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	08/27/15	0.26
04/15/15	Purchase	10.00	YCD	NATIONAL BANK OF KUWAIT NY	08/28/15	0.32
04/16/15	Purchase	10.00	GA	FFCB	09/16/16	0.471298
04/16/15	Purchase	15.575	GA	FHLB	04/13/17	0.705060
04/16/15	Purchase	20.00	CP	BANK OF TOKYO MIT UFJ NY	08/24/15	0.25
04/17/15	Purchase	15.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	05/15/17	0.665082
04/17/15	Purchase	20.00	YCD	STANDARD CHARTERED NY	08/21/15	0.27
04/20/15	Purchase	15.00	YCD	NATIONAL BANK OF KUWAIT NY	06/26/15	0.22
04/21/15	Purchase	8.50	GA	FHLMC	04/21/17	0.760095
04/21/15	Purchase	20.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	04/21/18	0.96
04/21/15	Purchase	15.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	04/21/18	0.96
04/21/15	Purchase	8.00	CP	KOREA DEVELOPMENT BK NY	07/17/15	0.20097
04/24/15	Purchase	10.00	GA	FFCB	04/24/17	0.705221

04/28/15	Purchase	20.00	GA	FHLMC	04/28/17	0.80
04/28/15	Purchase	20.00	SUPRANATIONAL	INTERNATIONAL FINANCE CORP	04/28/17	0.65
04/28/15	Purchase	20.00	SUPRANATIONAL	INTERNATIONAL FINANCE CORP	04/28/17	0.61
04/30/15	Purchase	10.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	06/15/18	1.055852
05/01/15	Purchase	15.00	CP	MUFG UNION BANK NA	08/31/15	0.22
05/01/15	Purchase	25.00	CP	BNP PARIBAS NY	09/04/15	0.28
05/04/15	Purchase	15.00	GA	FFCB	11/04/16	0.535630
05/04/15	Purchase	15.00	YCD	NATIONAL BANK OF KUWAIT NY	08/31/15	0.30
05/05/15	Purchase	10.396	GA	FHLMC	12/29/16	0.580019
05/06/15	Sale	7.00	LAIF	LAIF	Daily	Varied
05/06/15	Sale	5.00	LAIF	LAIF	Daily	Varied
05/06/15	Purchase	10.00	YCD	CHIBA BANK	08/31/15	0.30
05/07/15	Purchase	10.00	CP	KOREA DEVELOPMENT	09/11/15	0.25
05/08/15	Purchase	10.00	CP	KOREA DEVELOPMENT	09/08/15	0.25
05/08/15	Purchase	5.00	CP	MUFG UNION BANK NA	09/30/15	0.23
05/12/15	Purchase	20.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	06/12/17	0.7403
05/12/15	Purchase	20.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	09/12/17	0.835206
05/14/15	Purchase	15.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	05/02/17	0.694201
05/14/15	Purchase	5.00	CP	TOYOTA MOTOR CREDIT CORP	10/06/15	0.20
05/14/15	Purchase	5.00	GA	FHLB	01/06/17	0.570055
05/15/15	Purchase	15.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	05/02/17	0.705092
05/19/15	Purchase	10.00	YCD	CHIBA BANK	10/01/15	0.33
05/20/15	Purchase	10.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	05/02/17	0.650292
05/20/15	Purchase	10.00	YCD	STANDARD CHARTERED BANK NY	10/02/15	0.26
05/26/15	Purchase	2.325	MUNI	ORANGE CNTY CA PENSN OBLG	06/30/16	0.42
05/27/15	Purchase	20.00	YCD	CHIBA BANK	10/02/15	0.34
05/27/15	Purchase	25.00	CP	CREDIT AGRICOLE CIB NY	10/07/15	0.30
05/28/15	Purchase	25.00	YCD	CHIBA BANK	10/05/15	0.34
06/01/15	Purchase	10.00	CP	CREDIT AGRICOLE CIB NY	01/04/16	0.45
06/02/15	Purchase	10.00	CP	CREDIT AGRICOLE CIB NY	10/13/15	0.26
06/03/15	Purchase	10.00	CP	CREDIT AGRICOLE CIB NY	01/04/16	0.48
06/04/15	Purchase	15.00	CP	BANK OF TOKYO MIT UFJ NY	10/15/15	0.28
06/05/15	Purchase	15.00	CP	CREDIT AGRICOLE CIB NY	01/04/16	0.43
06/08/15	Purchase	15.00	CP	BANK OF TOKYO MIT UFJ NY	10/22/15	0.28

06/09/15	Purchase	0.500	MUNI	RIVERSIDE CA PENSN OBLG	06/01/16	0.75
06/09/15	Purchase	25.00	CP	CREDIT AGRICOLE CIB NY	01/04/16	0.42
06/12/15	Purchase	15.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	06/13/17	0.72
06/12/15	Purchase	5.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	06/13/17	0.72
06/12/15	Purchase	25.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	05/02/17	0.782569
06/12/15	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	10/20/15	0.275
06/15/15	Purchase	0.070	MUNI	SOUTH PLACER CA FIRE PROTECTION	06/01/16	1.55
06/15/15	Purchase	6.00	CP	CREDIT AGRICOLE CIB NY	03/11/16	0.59
06/16/15	Purchase	5.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	05/02/17	0.810047
06/16/15	Purchase	20.00	GA	FFCB	06/16/17	0.80
07/06/15	Purchase	10.00	CP	JP MORGAN SEC LLC	04/01/16	0.59
07/06/15	Purchase	10.00	CP	CREDIT AGRICOLE CIB NY	04/01/16	0.60
07/07/15	Purchase	25.00	YCD	CREDIT AGRICOLE CIB NY	11/06/15	0.31
07/08/15	Purchase	10.00	CP	BANK OF TOKYO MIT UFJ NY	04/01/16	0.51
07/08/15	Purchase	5.00	CP	JP MORGAN SEC LLC	04/01/16	0.60
07/09/15	Purchase	10.00	YCD	NATIONAL BANK OF KUWAIT NY	11/13/15	0.35
07/10/15	Purchase	10.00	CP	CREDIT SUISSE NY	03/31/16	0.59
07/13/15	Purchase	10.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	06/15/18	1.010387
07/13/15	Purchase	10.00	CP	ABBEY NATL NA LLC	11/04/15	0.28
07/13/15	Purchase	5.00	GA	FHLB	05/30/17	0.676945
07/14/15	Purchase	15.00	SUPRANATIONAL	INTL FINANCE CORP	06/15/18	1.030069
07/15/15	Purchase	10.00	SUPRANATIONAL	INTL FINANCE CORP	06/15/18	1.070119
07/15/15	Purchase	10.00	YCD	WELLS FARGO BANK NA	01/22/16	0.34
07/15/15	Purchase	15.00	YCD	CHIBA BANK	11/02/15	0.38
07/16/15	Purchase	5.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	05/02/17	0.710031
07/17/15	Purchase	5.00	CP	CREDIT AGRICOLE CIB NY	11/02/15	0.31
07/21/15	Purchase	20.00	CP	CREDIT AGRICOLE CIB NY	11/03/15	0.31
07/28/15	Purchase	5.00	GA	FHLMC	07/28/17	0.80
08/04/15	Purchase	20.00	CP	ABBEY NATL TREASURY SERV	11/20/15	0.31
08/04/15	Purchase	10.00	YCD	CHIBA BANK	11/16/15	0.37
08/05/15	Purchase	0.540	MUNI	SAN MATEO CA REDEVELOPMENT	08/01/16	1.43
08/05/15	Purchase	0.800	MUNI	SAN MATEO CA REDEVELOPMENT	08/01/18	2.23
08/05/15	Purchase	1.040	MUNI	SAN MATEO CA REDEVELOPMENT	08/01/17	1.84
08/07/15	Purchase	10.00	CP	ABBEY NATL TREASURY SERV	05/03/16	0.63

08/10/15	Purchase	5.00	CP	CREDIT SUISSE NEW YORK	11/13/15	0.28
08/12/15	Purchase	1.00	MUNI	RIVERSIDE CA PENSN OBLG	06/01/16	0.875
08/13/15	Purchase	10.00	GA	FFCB	11/13/17	0.975169
08/13/15	Purchase	4.00	GA	FHLMC	11/13/17	1.0
08/17/15	Purchase	10.00	CP	TOYOTA MOTOR CREDIT CORP	11/18/15	0.28
08/18/15	Purchase	10.00	CP	JP MORGAN SEC LLC	05/13/16	0.68
08/19/15	Purchase	5.00	GA	FHLMC DISCOUNT NOTE	08/01/16	0.40785
08/19/15	Purchase	5.00	GA	FHLMC DISCOUNT NOTE	08/11/16	0.459041
08/20/15	Purchase	2.00	GA	FHLB	05/12/17	0.75
08/21/15	Purchase	20.00	YCD	BANCO ESTADO CHILE/NY	05/17/16	0.63
08/25/15	Sale	15.00	GA	FFCB	11/04/16	0.507412
08/25/15	Purchase	5.00	CP	BANK OF TOKYO MIT UFJ NY	11/30/15	0.30
08/25/15	Purchase	15.00	YCD	BANCO ESTADO CHILE/NY	05/20/16	0.61
08/26/15	Purchase	5.00	GA	FFCB	05/09/17	0.663587
08/26/15	Purchase	10.00	YCD	SOCIETE GENERALE NY	05/20/16	0.68
08/27/15	Purchase	10.00	SUPRANATIONALS	INTL FINANCE CORP	12/21/17	0.805236
08/27/15	Purchase	5.00	CP	BANK OF TOKYO MIT UFJ NY	01/04/16	0.35
08/27/15	Purchase	10.00	CP	JP MORGAN SEC LLC	05/23/16	0.67
08/28/15	Purchase	15.00	YCD	NATL BANK OF KUWAIT NY	01/04/16	0.42
08/31/15	Purchase	15.00	CP	ABBAY NATL TREASURY SERV	01/04/16	0.36
09/01/15	Purchase	10.00	CP	CREDIT SUISSE NEW YORK	01/04/16	0.37
09/02/15	Purchase	3.920	MUNI	LOS ANGELES CNTY CA PUBLIC WKS	12/01/16	0.845
09/02/15	Purchase	1.330	MUNI	LOS ANGELES CNTY CA PUBLIC WKS	12/01/17	1.507
09/02/15	Purchase	5.00	CP	TOYOTA CREDIT DE PUERTO RICO	12/31/15	0.34
09/02/15	Purchase	15.00	CP	CREDIT SUISSE NEW YORK	05/27/16	0.69
09/03/15	Purchase	10.00	YCD	CREDIT INDUST ET COMM NY	05/25/16	0.63
09/04/15	Purchase	10.00	SUPRANATIONAL	IBRD DISCOUNT NOTE	12/28/15	0.162305
09/04/15	Purchase	5.00	GA	FARMER MAC DISCOUNT NOTE	12/30/15	0.18
09/09/15	Purchase	2.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	06/15/18	1.030022
09/09/15	Purchase	10.00	CP	JP MORGAN SEC LLC	06/03/16	0.67
09/09/15	Purchase	10.00	YCD	BANCO ESTADO CHILE/ NY	06/01/16	0.58
09/10/15	Purchase	10.00	CP	KOREA DEV BK NY	01/07/16	0.34
09/11/15	Purchase	10.00	CP	CREDIT SUISSE NEW YORK	06/07/16	0.71
09/14/15	Purchase	15.00	CP	TOYOTA MOTOR CREDIT CORP	01/06/16	0.30

09/15/15	Purchase	15.00	YCD	STANDARD CHARTERED BK NY	06/10/16	0.64
09/16/15	Purchase	15.00	CP	CREDIT SUISSE NEW YORK	06/09/16	0.72
09/17/16	Purchase	15.00	YCD	SOCIETE GENERALE NY	06/13/16	0.69
09/18/15	Purchase	10.00	CP	JP MORGAN SEC LLC	06/14/16	0.64
09/18/15	Purchase	10.00	YCD	NATL BANK OF KUWAIT NY	01/15/16	0.34
09/22/15	Purchase	5.00	GA	FHLB	09/08/17	0.786013
09/23/15	Purchase	20.00	YCD	BANCO ESTADO CHILE/ NY	12/28/15	0.28
09/23/15	Purchase	15.00	YCD	CHIBA BANK NEW YORK	12/28/15	0.40
09/24/15	Purchase	10.00	YCD	NATL BANK OF KUWAIT NY	06/20/16	0.70
09/24/15	Purchase	10.00	YCD	SOCIETE GENERALE NY	06/20/16	0.69
09/25/15	Purchase	10.00	SUPRANATIONAL	INTL BK RECON & DEVELOP	09/25/18	1.10
09/25/15	Purchase	25.00	YCD	SOCIETE GENERALE NY	06/21/16	0.69
09/25/15	Purchase	20.00	YCD	NATL BANK OF KUWAIT NY	12/28/15	0.315
09/28/15	Purchase	10.00	GA	FAMCA	09/28/17	0.75
09/29/15	Purchase	5.00	GA	FHLMC	06/29/18	1.1





## VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE

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Date: November 4, 2015

### **Agenda Item #11 – Receive and File the “Annual Treasury Oversight Committee Audit Engagement Letter”**

#### Recommendation

It is recommend that the Treasury Oversight Committee receive and file the “Annual Treasury Oversight Committee Audit Engagement Letter.”

Per Government Code Section 27134, the county treasury oversight committee shall cause an annual audit to be conducted to determine the county treasury’s compliance. The audit may include issues relating to the structure of the investment portfolio and risk. Brown Armstrong *Certified Public Accountants* firm will examine the County of Ventura’s compliance with the Treasury Oversight Committee provisions contained in the California Government Code and the County Investment Policy for the year ended June 30, 2015.

The audit engagement will commence in January 2016. A final report will be presented to the Treasury Oversight Committee in April 2016.



**BROWN  
ARMSTRONG**

CERTIFIED  
PUBLIC  
ACCOUNTANTS

# BROWN ARMSTRONG

*Certified Public Accountants*

October 15, 2015

Steven Hintz  
Treasurer-Tax Collector  
County of Ventura  
800 South Victoria Avenue  
Ventura, California 93009-1290

*To be effective November 30, 2015, if approved  
by the Treasury Oversight Committee.*

Dear Mr. Hintz;

We are pleased to confirm our understanding of the services we are to provide County of Ventura Treasurer-Tax Collector (the County TTC) for the year ended June 30, 2015. We will perform, as required by California Government Code Section 27134 (California Government Code), a compliance audit of the investment policies and procedures of the County TTC and issue an audit report in accordance with audit standards generally accepted in the United States of America, and standards applicable to financial audits contained in *Governmental Audit Standards* issued by the Comptroller General of the United States.

## Audit Objective

The objective of our audit is the expression of an opinion as to whether management's assertion that the County TTC complied with the California Government Code regarding the investment pool portfolio and the County TTC's investment policy during the year ended June 30, 2015, is fairly stated, in all material respects. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the County TTC and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the compliance is other than unmodified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

## Management Responsibilities

Management is responsible for establishing and maintaining internal control and for compliance with laws, regulations, contracts, and grants. Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information.

### BAKERSFIELD OFFICE (MAIN OFFICE)

4200 TRUXTON AVENUE  
SUITE 300  
BAKERSFIELD, CA 93309  
TEL 661.324.4971  
FAX 661.324.4997  
EMAIL info@bacpas.com

### FRESNO OFFICE

7673 N INGRAM AVENUE  
SUITE 101  
FRESNO, CA 93711  
TEL 559.476.3592  
FAX 559.476.3593

### PASADENA OFFICE

260 S. LOS ROBLES AVENUE  
SUITE 310  
PASADENA, CA 91101  
TEL 626.204.6542  
FAX 626.204.6547

### STOCKTON OFFICE

5250 CLAREMONT AVENUE  
SUITE 237  
STOCKTON, CA 95207  
TEL 209.451.4833

REGISTERED with the Public Company  
Accounting Oversight Board and  
MEMBER of the American Institute of  
Certified Public Accountants



Steven Hintz  
 Treasurer-Tax Collector  
 County of Ventura  
 October 15, 2015  
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### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence about the County TTC's compliance with the provisions of the California Government Code regarding the investment pool portfolio and the County TTC's Investment Policy. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether violations of laws or governmental regulations that is attributable to the County TTC or to acts by management or employees acting on behalf of the County TTC. Because an audit is designed to provide reasonable, but not absolute, assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on management's assertion as a whole. However, we will inform you of any material errors that come to our attention, and we will inform you of any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

At the conclusion of our audit, we will require certain written representations from you about the management's responsibility and related matters.

### **Audit Procedures—Internal Control**

Our audit will include obtaining an understanding of the County TTC and its environment, including internal control, sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on management's assertion regarding compliance with the California Government Code regarding the investment portfolio and the County TTC's investment policy. Our tests will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under under AICPA professional standards and *Government Auditing Standards*.

### **Audit Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

We expect to begin our audit on approximately January 11, 2016, and to issue our reports no later than March 15, 2016.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) and will approximate \$3,800. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 90 days or more overdue and may not be resumed until your account is paid in



Steven Hintz  
 Treasurer-Tax Collector  
 County of Ventura  
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full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

All disputes under this agreement shall be submitted to mediation. Each party shall designate an executive officer empowered to attempt to resolve the dispute. Should the designated representatives be unable to agree on a resolution, a competent and impartial third party acceptable to both parties shall be appointed to mediate. Each disputing party shall pay an equal percentage of the mediator's fees and expenses. No suit or arbitration proceedings shall be commenced under this agreement until at least 60 days after the mediator's first meeting with the involved parties. In the event that the dispute is required to be litigated, the court shall be authorized to assess litigation costs against any party found not to have participated in the mediation process in good faith.

We appreciate the opportunity to be of service to the County TTC and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

BROWN ARMSTRONG  
 ACCOUNTANCY CORPORATION

By: Eric H. Xin

EHX:rnp  
 Enclosure  
 PfxEngagement/82785/PSR-02-1/2015 Draft Engagement Letter for Board Approval

**RESPONSE:**

This letter correctly sets forth the understanding of the County TTC.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



## VENTURA COUNTY TREASURY OVERSIGHT COMMITTEE

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Date: November 4, 2015

**Agenda Item #12 – Review, Discussion, and Adoption of the 2014 Local Agency Biennial Notice Conflict of Interest Code (“Notice”); Authorization for the Treasurer-Tax Collector to Sign and File the Notice for Ventura County Treasury Oversight Committee (“Committee”); and Designation of the Clerk of the Ventura County Board of Supervisors as the Committee’s Filing Officer**

### Recommendations

It is recommended that the Treasury Oversight Committee:

1. Review, discuss, and adopt the 2014 Local Agency Biennial Notice Conflict of Interest Code (“Notice”) for Ventura County Treasury Oversight Committee (“Committee”).
2. Authorize the Treasurer-Tax Collector to sign and file the Notice with the Clerk of the Ventura County Board of Supervisors (“Clerk”)
3. Designate the Clerk as the Committee’s Filing Officer.

Under the Political Reform Act of 1974, every local agency is required to promulgate and adopt a Conflict of Interest Code which must then be adopted by the Board of Supervisors if the Board is the code reviewing body for the local agency.

Pursuant to Government Code Section 87306.5, over ninety-three (93) local public agencies including County departments, boards and commissions, and other public entities must submit their biennial Conflict of Interest Codes/Amendments for review and adoption by the Board of Supervisors for the 2014 review cycle. The submissions and the Board of Supervisors’ review and adoption are required every two years.

It is recommended that the Committee review, discuss and adopt the Notice. For efficiency, it is recommended that the Committee authorize the Treasurer-Tax Collector to sign and file the Notice with the Clerk of the Ventura County Board of Supervisors.

Finally, in the past, the Treasurer-Tax Collector’s Office acts as the Committee’s Filing Officer with whom each designated position holder files his/her Form 700. Since the Board of Supervisors is the code reviewing body for the Treasury Oversight Committee Conflict of Interest Code, it is recommended that persons holding positions designated in Exhibit A shall file statements of economic interests covering the disclosure categories designated for their respective position directly with the Clerk of the Ventura County Board of Supervisors, which shall retain the original statements.

**2014 CONFLICT OF INTEREST CODE  
Ventura County Treasury Oversight Committee**

The Political Reform Act, Government Code section 81000 et seq., requires local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code Regs., § 18730) which contains the terms of a standard Conflict of Interest Code, which may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act after public notice and hearings.

The terms of California Code of Regulations, Title 2, Section 18730, and any amendment to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by reference as the Conflict of Interest Code for the Ventura County Treasury Oversight Committee and along with the attached Exhibit A, which designates positions requiring disclosure and Exhibit B, which sets forth disclosure categories for each designated position, constitute the Conflict of Interest Code of the Ventura County Treasury Oversight Committee. Persons holding positions designated in Exhibit A shall file Form 700 Statements of Economic Interests with the Clerk of the Ventura County Board of Supervisors' Office which shall be the Filing Officer.

**IN PREPARING THE FORM 700, DESIGNATED FILERS NEED ONLY DISCLOSE THOSE FINANCIAL INTERESTS FALLING WITHIN THE DISCLOSURE CATEGORIES DESIGNATED FOR THAT FILER'S POSITION AS STATED IN EXHIBITS A AND B.**

**APPROVED AND ADOPTED** this 4th day of November, 2015:

By: \_\_\_\_\_

Print Name: STEVEN HINTZ

Title: Treasurer/Tax Collector

**EXHIBIT A – DESIGNATED POSITIONS**

<b>#of POSITIONS</b>	<b>POSITION TITLE</b>	<b>DISCLOSURE CATEGORIES</b> (From Exhibit B)
<b>5</b>	<b>Ventura County Treasury Oversight Committee Member</b>	<b>1</b>
<b>1</b>	<b>Assistant Treasurer/Tax Collector</b>	<b>1</b>
(None) Consultants <sup>1</sup>		

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<sup>1</sup> The disclosure, if any, required of a consultant will be determined on a case-by-case basis by the head of the agency or designee. The determination of whether a consultant has disclosure requirements should be made in writing on a Fair Political Practices Commission Form 805. The determination should include a description of the consultant's duties and based upon that description, a statement of the extent, if any, of the disclosure requirements. Each Form 805 is a public record and should be retained for public inspection either in the same manner and location as the Conflict of Interest Code, or with appropriate documentation at the location where the Conflict of Interest Code is maintained, cross-referencing to the Form 805.

## **EXHIBIT B – DISCLOSURE CATEGORIES**

The terms *italicized* below have specific meaning under the Political Reform Act. In addition, the financial interests of a spouse, domestic partner and dependent children of the public official holding the designated position may require reporting. Consult the instructions and reference pamphlet of the Form 700 for explanation.

### **Category 1 – BROADEST DISCLOSURE**

[SEE FORM 700 SCHEDULES A-1, A-2, B, C, D and E]

- (1) All sources of *income, gifts, loans and travel payments*;
- (2) All *interests in real property*; and
- (3) All *investments and business positions in business entities*.

### **Category 2 – REAL PROPERTY**

[SEE FORM 700 SCHEDULE B]

All *interests in real property*, including *interests in real property* held by *business entities* and trusts in which the public official holds a business position or has an *investment* or other financial interest.

### **Category 3 – LAND DEVELOPMENT, CONSTRUCTION AND TRANSACTION**

[SEE FORM 700 SCHEDULES A-1, A-2, C, D and E]

All *investments, business positions* and sources of *income, gifts, loans and travel payments*, from sources which engage in land development, construction, or real property acquisition or sale.

### **Category 4 – PROCUREMENT**

[SEE FORM 700 SCHEDULES A-1, A-2, C, D and E]

All *investments, business positions* and sources of *income, gifts, loans and travel payments*, from sources which provide services, supplies, materials, machinery or equipment which the designated position procures or assists in procuring on behalf of their agency or department.

### **Category 5 – REGULATION AND PERMITTING**

[SEE FORM 700 SCHEDULES A-1, A-2, C, D and E]

All *investments, business positions* and sources of *income, gifts, loans and travel payments*, from sources which are subject to the regulatory, permitting or licensing authority of, or have an application or license pending before, the designated position's agency or department.

### **Category 6 – FUNDING**

[SEE FORM 700 SCHEDULES A-1, A-2, C, D and E]

All *investments, business positions* and sources of *income, gifts, loans and travel payments*, from sources which receive grants or other funding from or through the designated position's agency or department.