

COUNTY OF SHASTA
TREASURY OVERSIGHT COMMITTEE EXAMINATION
INDEPENDENT ACCOUNTANTS' REPORT
FOR THE YEAR ENDED JUNE 30, 2023



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COUNTY OF SHASTA

Treasury Oversight Committee Examination
For the Year Ended June 30, 2023

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INDEPENDENT ACCOUNTANTS' REPORT

Members of the Treasury
Oversight Committee
County of Shasta
Redding, California

We have examined management of the County of Shasta's (the County) assertion that the County complied with the requirements in accompanying Note 3, California Government Code of Regulations (specified requirements), for the year ended June 30, 2023. The County's management is responsible for its assertion. Our responsibility is to express an opinion on management's assertion about the County's compliance with the specified requirements based on our examination.

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

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the County's compliance with specified requirements.

In our opinion, the County of Shasta complied in all material respects, with the aforementioned requirements, for the year ended June 30, 2023.

This report is intended only for the information of the Treasury's management, Treasury Oversight Committee, the Board of Supervisors, and others within the entity, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Roseville, California
September 26, 2023

**COUNTY OF SHASTA
NOTES TO THE TREASURY OVERSIGHT COMPLIANCE EXAMINATION
JUNE 30, 2023**

NOTE 1 - Background and General

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

The oversight legislation included many specific requirements such as the required contents of the Treasurer's Investment Policy. Government Code Section (GC) 27134 required an annual audit to determine compliance with the provisions. This audit serves to comply with that requirement.

The Shasta County Board of Supervisors established the Treasury Oversight Committee by voice action on March 12, 1996. Since that time, the committee has continued to meet and provide oversight.

NOTE 2 – Committee Members

| <u>Member</u> | <u>Organization Appointed From</u> |
|------------------------|--|
| De'An Chambless, Chair | Shasta County Office of Education Designee |
| Nolda Short | Auditor-Controller |
| Lori J. Scott | Treasurer, Tax Collector |
| Jill Ault | School Districts Designee |
| Erin Bertain | Deputy CEO |

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NOTE 3 – California Government Code of Regulations

Title 3, Division 2, Part 3, Chapter 5, Article 6

County Treasury Oversight Committee:

27130 - The Legislature finds and declares that local agencies, including school districts, should participate in reviewing the policies that guide the investment in those funds; by pooling deposits from local agencies and other participants, the county treasuries operate in the public interest by consolidating banking and investment activities, reducing duplication, achieving economies of scale, and carrying out coherent and consolidated investment strategies; and the creation of a county Oversight Committee will promote public interest by involving depositors in the management of their funds and by enhancing the security and investment return on their funds by providing a more stable and predictable balance for investments by establishing criteria for withdrawal of funds.

27131 - The Board may establish an Oversight Committee that consists of from three to eleven members.

27132 - The Oversight Committee shall consist of members appointed from the following: County Treasurer, County Auditor, Auditor-Controller or Finance Director; representative appointed by the Board; County Superintendent of Schools or Designee; representative selected by a majority of the presiding officers of the governing bodies of the school or community college districts; a representative selected by a majority of the presiding officers of the legislative bodies of the special districts; up to five other members of the public who either have expertise or academic background in finance or are economically diverse and bipartisan in political registration.

27132.1 - The Oversight Committee members may not be employed by an entity that has contributed to the campaign of a candidate for the office of local treasurer or to the campaign of a candidate to be a member of a legislative body of any of local agency that has deposited funds in the County Treasury in the previous three years or during the period that the employee is a member of the Oversight Committee.

27132.2 - The Oversight Committee members may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the Oversight Committee.

27132.3 - The Oversight Committee members may not secure employment with bond underwriters, bond counsel, security brokerages or dealers, or with financial services firms during the period that the person is a member of the committee or for three years after leaving the Oversight Committee.

27132.4 - The Oversight Committee meetings shall be open to the public and be subject to the Ralph M. Brown Act.

27133 - The County Treasurer shall annually prepare an investment policy that will be reviewed and monitored by the Oversight Committee, including the following: authorized investments; maximum security term; brokers and dealers' selection; limits on the receipt of gifts; investment report; cost calculation and apportionment policy; deposit terms and conditions; and funds withdrawal criteria.

27134 - The Oversight Committee shall require an annual audit to be conducted to determine the County Treasury's compliance with the investment compliance requirements presented in the California Government Code of Regulations, Article 6, Sections 27130 through 27137, and set forth in this schedule.

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27135 - The County shall absorb costs in complying with the investment compliance requirements.

27136 - The County Treasurer shall evaluate each proposed withdrawal of funds for the purpose of investing or depositing those funds outside the County Treasury pool in accordance with the withdrawal policy.

27137 - The Oversight Committee shall not direct individual investment decisions; select individual investment advisors, brokers, or dealers; or impinge on the day-to-day operations of the County Treasury.



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