



**Regular Board of Directors Meeting
3615 E Las Posas Road, Suite 161
Camarillo, CA 93010
Tuesday, February 27, 2018
12:00 p.m.**

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2018 Board Meeting Calendar

January 23, 2018, 12:00 p.m.

February 27, 2018, 12:00 p.m.

March 27, 2018, 12:00 p.m.

April 24, 2018, 12:00 p.m.

May 29, 2018, 12:00 p.m.

June 12, 2018, 12:00 p.m. (Budget)

June 26, 2018, 12:00 p.m. (If Needed)

July 24, 2018, 12:00 p.m.

August – Dark

September 18, 2018, 12:00 p.m.

October 23, 2018, 12:00 p.m.

November - Dark

December 4, 2018, 8:30 a.m. (Board Work Study)

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AGENDA

February 27, 2018 - 12:00 P.M.
Regular Meeting of the Board of Directors
3615 E. Las Posas Road, Suites 160 & 161, Camarillo, CA 93010

Board of Directors

Rod Brown, MBA, President
Christopher Loh, MD, Vice President
Richard Loft, MD, Clerk of the Board
Mark Hiepler, Esq., Director
Tom Doria, MD, Director

Staff

Kara Ralston, Chief Executive Officer
Sue Tatangelo, Chief Resource Officer
Sonia Amezcua, Chief Administrative Officer
Karen Valentine, Clerk to the Board

Participants

Michael Velthoen, Esq., *Ferguson Case Orr Paterson, LLP*
Jessica Wan, *Ferguson Case Orr Paterson, LLP*

1. **Call to Order/Roll Call**
2. **Pledge of Allegiance – Director Brown**
3. **Amendments to the Agenda**
Requests to change the order of the agenda, delete, add any agenda item(s), or to remove any consent agenda items for discussion.
4. **Public Comment – Ca. GC Section 54954.3;** The Board reserves this time to hear from the public. Please complete a Speaker Card and submit to the Clerk to the Board. Your name will be called in order of the agenda item, or in order of received general topic Speaker Cards. Comments regarding items not on the agenda can be heard only; items on the agenda can be discussed. Three minutes per speaker are available; multiple speakers on the same topic/agenda item will be limited to 20 minutes total.
5. **Presentations –**
6. **Discussion/Action Items-** Consideration, Discussion, and Decision:
 - A. Review and **Approve/ Deny/ Amend** Financial Reports and District Disbursements for period ending January 31, 2018. **(Please see Section 6-A)**

Suggested Motion– Vote to approve District Financial Reports and Disbursements for the period ending January 31, 2018.

Motion _____ Second _____ Abstain _____ Pass _____

Brown _____ Loh _____ Loft _____ Hiepler _____ Doria _____

7. Closed Session:

- A.** Conference with Legal Counsel – Existing Litigation, one case, Government Code §54956.9(d)(1), Camarillo Health Care vs. Rozanski, Ventura County Superior Court Case No. 56-2016-00487601-CU-MC-VTA.
- B.** Conference with Legal Counsel – Existing Litigation, one case, Government Code §54956.9(d)(1), Ferguson vs. Camarillo Health Care, Ventura County Superior Court Case No. 56-2016-00478549-CU-BC-VTA.

8. Reconvene from Closed Session -

9. Announcement of Closed Session – Pursuant to Government Code §54957.1 – The legislative body of any local agency shall publicly report any reportable action taken in closed session and the vote or abstention on that action of every member present.

A.

B.

10. Consent Agenda – Consent Agenda items are considered routine and are acted upon without discussion, with one motion. If discussion is requested, that item(s) will be removed from the Consent Agenda for discussion, and voted on as a separate item. If no discussion is requested, the Board Chairperson may request a motion to approve as presented.

- A.** Approve the Minutes of the Finance/Investment Committee Meeting of January 23, 2018. **(Please see Section 10-A)**
- B.** Approval of Minutes of the Regular Board Meeting of January 23, 2018. **(Please see Section 10-B)**
- C.** Approval of Minutes of the Special Board Meeting of February 14, 2018. **(Please see Section 10-C)**
- D.** Approval of the Minutes of the Executive/Agenda Planning Committee Meeting of February 20, 2018. **(Please see Section 10-D)**

Suggested Motion – Vote to approve Consent Agenda as presented.

Motion _____ Second _____ Abstain _____ Pass _____

Brown _____ Loh _____ Loft _____ Hiepler _____ Doria _____

11. Discussion/Action Items

- A. Consideration, Discussion, and Decision on Audit Timeline, regarding the financial audit ending June 30, 2017.**

The District’s Financial Policy, Section 5, states: *“The District will engage in an annual, independent financial audit by way of contract. Upon expiration of a current audit contract, the Board of Directors shall consider recommendations from the Finance/Investment Committee regarding a new audit contract and terms.*

The auditor will present complete audited financial statements, auditor’s recommendation letter, and a Management Discussion and Analysis letter to the Board of Directors, for review and approval within (6) regularly scheduled meetings of the Board of Directors, at the close of the Fiscal year.”

(Please see Section 11-A)

In light of the loss of contracted audit firm, Poindexter & Company, in the December 2017 Thomas Fire, the Board of Directors recognizes the timeline described in Section 5 of the Finance Policy, and authorizes the June 30, 2017 annual audit, be performed outside of that timeline, in a reasonable manner. The Board further instructs Administration to prepare notice to the State Controller’s Office (SCO) regarding the status of the June 30, 2017, audit.

Suggested Motion: Motion to authorize the June 30, 2017 financial audit be performed outside the timeline stated in Section 5 of the District’s Finance Policy, and instructs Administration to prepare notice to the State Controller’s Office regarding the status of the audit.

Motion _____ Second _____ Abstain _____ Pass _____

Brown _____ Loh _____ Loft _____ Hiepler _____ Doria _____

- B. Consideration, Discussion, and Decision on Audit Proposal and Contract, from Fanning and Karrh, for the financial audit ending June 30, 2017, with an option for two additional audit years. (Please see Section 11-B)**

Suggested Motion: Motion to approve Proposal and Contract from Fanning and Karrh for fiscal year ending June 30, 2017, and two additional years.

Motion _____ Second _____ Abstain _____ Pass _____

Brown _____ Loh _____ Loft _____ Hiepler _____ Doria _____

- C. Consideration, Discussion, and Decision on quarterly review and approval of the District Investment Report for the period ending December 31, 2017. (See Section 11-C)**

Suggested Motion: Review and approve the Quarterly Investment Report for the period ending December 31, 2017.

Motion _____ Second _____ Abstain _____ Pass _____

Brown _____ Loh _____ Loft _____ Hiepler _____ Doria _____

12. CEO Report

13. Board President’s Report – Discuss and appoint Ad Hoc Committee to facilitate Chief Executive Officer Review.

14. Board Members Interests or Concerns

15. Future Meeting and Events

Board of Directors Meetings

- Executive Committee (Brown, Loh) Tuesday, March 20, 2018, 12:00 p.m.
- Full Board Tuesday, March 27, 2018, 12:00 p.m.
- Executive Committee (Brown, Loh) Tuesday, April 10, 2018, 12:00 p.m.
- Finance Committee (Hiepler, Doria) Tuesday, April 24, 2018, 11:00 p.m.
- Full Board Tuesday, April 24, 2018, 12:00 p.m.
- Executive Committee (Brown, Loh) Tuesday, May 15, 2018, 12:00 p.m.
- Full Board Tuesday, May 29, 2018, 12:00 p.m.

Events

- Top Ten Community Awards
Camarillo Chamber of Commerce Friday, March 23 2018, 6:00p.m. to 9:00 p.m.
Spanish Hills Country Club
- Business & Legislators Forum
Camarillo Chamber of Commerce Friday, May 18, 2018, 11:30 a.m. to 1:00 p.m.
Spanish Hills Country Club

16. Adjournment - Having no further business, this meeting is adjourned at _____p.m.

Action Items not appearing on the Agenda may be addressed on an emergency basis by a majority vote of the Board of Directors when need for action arises.

ADA compliance statement; In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Clerk to the Board of Directors, Karen Valentine, at (805) 482-9382. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Note: This agenda was posted at the Camarillo Health Care District Administrative Office and on our website, www.camhealth.com, on Friday, February 23, at 4:00 p.m.

SECTION 6

ACTION ITEMS

**SECTION 6-A
FINANCIAL REPORTS
REVIEW AND APPROVE/ DENY/ AMEND FINANCIAL REPORTS AND
DISTRICT DISBURSEMENTS FOR PERIOD ENDING JANUARY 31, 2018.**

FEBRUARY 27, 2018

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**Camarillo Health Care District
Statements of Activities
Comparison to Budget for the
Seven Months Ending January 31, 2018**

	Audited Actual 14 - 15	Audited Actual 15 - 16	Actual 16 - 17	Current Year- to-Date	Budget to- date	Annual Budget	Y-T-D vs Annual Budget
REVENUES							
Tax revenue	\$ 2,244,695	\$ 2,375,896	\$ 2,472,000	\$ 1,648,620	\$ 1,485,260	\$ 2,546,160	64.75%
Program and facilities revenue	653,310	398,419	336,002	210,220	240,498	412,283	50.99%
Grants and agency funding	244,970	238,124	329,307	377,328	197,251	336,359	112.18%
Community Support and sponsorship	4,478	14,286	46,965	6,625	6,825	11,700	56.62%
Investment and interest income	144,126	155,200	152,097	155,034	154,667	158,000	98.12%
Other income	102,118	102,619	30,867	31,856	23,291	39,927	79.79%
Total Revenues	\$ 3,393,696	\$ 3,284,543	\$ 3,367,239	\$ 2,429,684	\$ 2,107,792	3,504,429	69.33%
EXPENSES							
Personnel cost							
Wages and salaries	1,569,500	1,347,709	1,392,944	786,630	928,494	1,591,704	49.42%
Payroll taxes	562,284	110,164	111,521	66,291	71,030	152,960	43.34%
Benefits		189,450	290,350	177,656	214,750	336,947	52.73%
OPEB		233,378	233,005	135,663	117,717	201,802	67.23%
Retirement UAL		29,064	38,046	50,594	52,456	52,456	96.45%
Total personnel cost	2,131,785	1,909,765	2,065,866	1,216,834	1,384,448	2,335,869	52.09%
Other expenses							
Contractors and professional fees	276,798	300,824	387,515	200,323	194,481	325,789	61.49%
Facilities and related	244,652	238,656	229,982	126,334	153,206	262,638	48.10%
Depreciation	191,015	175,355	164,193	90,326	91,305	156,523	57.71%
Program related expense	98,098	80,067	71,985	40,132	43,553	74,663	53.75%
Advertising and promotion	120,082	77,736	83,139	54,591	58,188	99,750	54.73%
Supplies and office expense	69,349	68,046	71,532	48,883	37,104	63,606	76.85%
Board and staff	110,252	61,358	76,237	44,494	62,426	103,455	43.01%
Community partnerships	-	2,500	2,200	1,000	2,500	2,500	40.00%

**Camarillo Health Care District
Statements of Activities
Comparison to Budget for the
Seven Months Ending January 31, 2018**

	Audited Actual 14 - 15	Audited Actual 15 - 16	Actual 16 - 17	Current Year- to-Date	Budget to- date	Annual Budget	Y-T-D vs Annual Budget
Combined other expenses	25,835	30,007	22,506	12,057	14,205	24,352	49.51%
Total other expenses	1,136,081	1,034,549	1,109,290	618,138	656,967	1,113,276	55.52%
Operations Net	125,831	340,229	192,083	594,713	66,377	55,284	1075.74%
Adjustments	1,193,105						
Total expenses	4,460,970	2,944,314	3,175,155	1,834,971	2,041,415	3,449,145	53.20%
Net position after adjustments	\$ (1,067,274)	\$ 340,229	\$ 192,083	\$ 594,713	\$ 66,377	\$ 55,284	1075.74%

**Camarillo Health Care District
Statements of Net Assets
As of January 31, 2018**

ASSETS	Jan. 31, 2018	Jan. 31, 2017
Current Assets:		
Cash and Checking Accounts	\$ 591,702	\$ 375,733
Investment Accounts	2,961,132	2,513,715
Accounts and Grants Receivable	246,261	245,356
Total Current Assets	<u>3,799,095</u>	<u>3,134,804</u>
Noncurrent Assets:		
Property, plant and equipment - net	1,440,693	1,563,934
IS equipment - net	10,085	20,657
Transportation vehicles - net	62,187	88,560
Prepays	18,390	21,373
Total Noncurrent Assets	<u>1,531,355</u>	<u>1,694,523</u>
Deferred Outflows of Resources	264,803	264,803
Total Assets	<u>\$ 5,595,253</u>	<u>\$ 5,094,130</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable	\$ 41,093	\$ 45,448
Construction Loan 2017	85,482	82,393
Employment costs	95,126	88,862
Accrued OPEB liability GASB 75	501,801	294,473
Scholarships	5,532	8,460
Deferred Revenue	5,200	9,983
Total Current Liabilities	<u>734,233</u>	<u>529,619</u>
Noncurrent Liabilities		
Construction Loan to 2021	276,166	361,648
Net Pension Liability GASB 68	821,635	821,635
Deferred Inflows of Resources	450,825	450,825
Total Noncurrent Liabilities	<u>1,548,626</u>	<u>1,634,108</u>
Net Assets:		
Unrestricted - prior	2,717,682	2,535,771
Unrestricted - current	594,713	394,632
Total Net Assets	<u>3,312,394</u>	<u>2,930,403</u>
Total Liabilities and Net Assets	<u>\$ 5,595,253</u>	<u>\$ 5,094,130</u>

Quick Ratio

Cash	3,552,834	4.84
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Current Ratio

Current Assets	3,799,095	5.17
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**Camarillo Health Care District
Statements of Net Assets
As of January 31, 2018**

ASSETS	Jan. 31, 2018	Jan. 31, 2017	Jan. 31, 2016	Jan. 31, 2015	Jan. 31, 2014
Current Assets:					
Cash and Checking Accounts	\$ 591,702	\$ 375,733	\$ 363,314	\$ 489,565	\$ 457,047
Investment Accounts	2,961,132	2,513,715	1,795,962	1,363,274	1,017,480
Accounts and Grants Receivable	246,261	245,356	62,090	111,664	177,658
Total Current Assets	\$ 3,799,095	3,134,804	2,221,367	1,964,503	1,652,185
Noncurrent Assets:					
Property, plant and equipment - net	1,440,693	1,563,934	1,937,657	2,157,210	1,742,692
IS equipment - net	10,085	20,657	27,484	32,063	34,889
Transportation vehicles - net	62,187	88,560	106,970	167,710	202,674
Prepays	18,390	21,373	44,825	43,773	46,123
Total Noncurrent Assets	1,531,355	1,694,523	2,116,936	2,400,756	2,026,378
Deferred Outflows of Resources	264,803	264,803	112,553		
Total Assets	\$ 5,595,253	\$ 5,094,130	\$ 4,450,856	\$ 4,365,259	\$ 3,678,563

LIABILITIES AND NET ASSETS

Current Liabilities:					
Accounts Payable	\$ 41,093	\$ 45,448	\$ 30,680	\$ 39,443	\$ 43,554
Construction Loan 2017	85,482	82,393	79,415	76,544	-
Employment costs	95,126	88,862	91,995	152,357	179,860
Accrued OPEB liability GASB 75	501,801	294,473	173,196	155,431	136,267
Scholarships	5,532	8,460	15,530	8,186	10,935
Deferred Revenue	5,200	9,983	886	2,103	4603
Total Current Liabilities	734,233	529,619	391,702	434,064	375,219

Camarillo Health Care District
Statements of Net Assets
As of January 31, 2018

	Jan. 31, 2018	Jan. 31, 2017	Jan. 31, 2016	Jan. 31, 2015	Jan. 31, 2014
Noncurrent Liabilities					
Construction Loan to 2021	276,166	361,648	444,041	523,456	
Net Pension Liability GASB 68	821,635	821,635	959,515		
Deferred Inflows of Resources	450,825	450,825	250,690		
Total Noncurrent Liabilities	<u>1,548,626</u>	<u>1,634,108</u>	<u>1,654,246</u>	<u>523,456</u>	
Net Assets:					
Unrestricted - prior	2,717,682	2,535,771	2,195,543	3,262,816	3,294,275
Unrestricted - current	594,713	394,632	209,366	144,923	9,069
Total Net Assets	<u>3,312,394</u>	<u>2,930,403</u>	<u>2,404,908</u>	<u>3,407,740</u>	<u>3,303,344</u>
Total Liabilities and Net Assets	<u>\$ 5,595,253</u>	<u>\$ 5,094,130</u>	<u>\$ 4,450,856</u>	<u>\$ 4,365,259</u>	<u>\$ 3,678,563</u>
Quick Ratio (Cash, Checking & Investment Accounts divided by Total Current Liabilities)	4.84	5.46	5.51	4.27	3.93
Current Ratio (Total Current Assets divided by Total Current Liabilities)	5.17	5.92	5.67	4.53	4.40

Camarillo Health Care District

Check Register (Checks and EFTs of All Types)

Sorted by Vendor

January 2018 Checks/EFTs

Check Number	Date	EFT #/ Vendor	Name	Net Amount	Board,EE,F acilitator,V endor	Timing
Cash Account #4 [Bank of the West General]						
65926	1/10/2018	ACCESS	Access TLC Caregivers DBA	1,276.66	V	MO
65927	1/10/2018	ACORN	Acorn Newspapers	757.00	V	
65957	1/24/2018	AFLAC	Aflac	711.12	V	MO
65958	1/24/2018	AMERICAN	American Automatic Doors, Inc	131.00	V	
65928	1/10/2018	ANDISITES	AndiSites, Inc	189.00	V	MO
65929	1/10/2018	ASSISTED	Assisted Healthcare Services	596.00	V	
65947	1/17/2018	B&BMAIL	B & B Mailing Services	1,645.63	V	QTLY
65948	1/17/2018	BOTW	Bankcard Center	5,858.73	V	MO
65908	1/3/2018	BETA	Beta Healthcare Group	760.16	V	MO
65959	1/24/2018	BETA WC	Beta Healthcare Group	2,088.00	V	MO
65950	1/17/2018	HALLETT	Bettie Hallett	90.00	Refund	
65907	1/3/2018	ANDERSON B	Bradley Anderson	42.00	F	MO
65961	1/24/2018	BYRD	Byrd Locksmithing	102.63	V	
65943	1/10/2018	MORAN	Carmen Moran	203.84	EE	MO
65916	1/3/2018	MASTERPAGES	Carrie Dittmar	2,192.38	V	MO
65930	1/10/2018	CMH	CMH Centers for Family Health	75.00	V	
65931	1/10/2018	COMFORT	Comfort Keepers dba	480.00	V	
65932	1/10/2018	COMMANDER	Commander Printed Products	38.46	V	
65962	1/24/2018	COMMANDER	Commander Printed Products	14,647.78	V	QTLY
65963	1/24/2018	CPI	CPI Solutions, Inc	4,869.75	V	MO
65964	1/24/2018	CSDA	CSDA Financial Serv	2,499.24	V	MO
65965	1/24/2018	DIAL	Dial Security	1,326.00	V	MO
65949	1/17/2018	DIGITAL	Digital Deployment, Inc	2,000.00	V	
65966	1/24/2018	DOCUMENT SYS	Document Systems (DBA)	888.54	V	QTLY
65911	1/3/2018	DOS CAMINOS	Dos Caminos Plaza	4,538.38	V	MO
65912	1/3/2018	DOSCAMSTORA	Dos Caminos Plaza, Inc	50.00	V	MO
65913	1/3/2018	FERGUSON CAS	Ferguson, Case, Orr Paterson LLP	9,313.11	V	MO
65934	1/10/2018	FRONTIER	Frontier Communications	126.98	V	MO
65935	1/10/2018	HARTFORD	Hartford Life	1,136.58	V	MO
65936	1/10/2018	HELP	Help Unlimited, Inc	211.66	V	MO
65951	1/17/2018	HELP	Help Unlimited, Inc	151.66	V	MO
65909	1/3/2018	BURGESS	Herman Ted Burgess	89.00	F	
65968	1/24/2018	HIRERIGHT	HireRight, LLC	250.00	V	YRLY
65937	1/10/2018	HOME REMEDIE	Home Remedies dba	900.00	V	MO
65969	1/24/2018	ITS	Integrated Telemanagement Services, Inc	805.57	V	MO

Camarillo Health Care District

Check Register (Checks and EFTs of All Types)

Sorted by Vendor

January 2018 Checks/EFTs

65914	1/3/2018	IVEY	Jane Ivey	66.50	F	MO
65946	1/10/2018	YOUNG	Jennifer Young	173.50	EE	MO
65939	1/10/2018	JORDANO'S	Jordano's Food Service	122.50	V	MO
65970	1/24/2018	JORDANO'S	Jordano's Food Service	190.71	V	MO
65940	1/10/2018	JTS	JTS Facility Services	1,851.00	V	MO
65971	1/24/2018	JTS	JTS Facility Services	40.00	V	BI-MO
65915	1/3/2018	LEAF	Leaf	2,025.32	V	MO
65910	1/3/2018	CRAWFORD L	Lorenzo Crawford	114.80	F	MO
65938	1/10/2018	JONES	Lynn Jones	60.50	EE	MO
65924	1/3/2018	WIGGINS	Mary Wiggins	59.62	EE	MO
65917	1/3/2018	MEDITECH	Meditech Health Services	410.00	V	WKLY
65942	1/10/2018	MEDITECH	Meditech Health Services	710.00	V	WKLY
65953	1/17/2018	MEDITECH	Meditech Health Services	500.00	V	WKLY
65973	1/24/2018	MEDITECH	Meditech Health Services	400.00	V	WKLY
65918	1/3/2018	METLIFE	MetLife Small Business	923.14	V	MO
65974	1/24/2018	MHS	Mike's Handyman Service	235.00	V	
65925	1/3/2018	ZEPEDA	Monica Zepeda	124.65	EE	MO
65941	1/10/2018	KAVALSKY	Neal Kavalsky	100.00	V	MO
65945	1/10/2018	WYLY	Paulette Wyly	32.10	EE	MO
65975	1/24/2018	PETTY	Petty Cash - Administrat	264.68		MO
65919	1/3/2018	PITNEYBOWES	Pitney Bowes	201.73	V	QTLY
65972	1/24/2018	LOFT	Richard Loft, MD	100.00	B	MO
65933	1/10/2018	DIEHL	Robert Diehl	20.00	Refund	
65960	1/24/2018	BROWN	Rodger Brown	300.00	B	MO
65920	1/3/2018	SAFEWAY	Safeway Inc	109.14	V	BI-WKLY
65954	1/17/2018	SAFEWAY	Safeway Inc	162.79	V	BI-WKLY
65976	1/24/2018	SO CA EDISON	Southern Ca. Edison Co.	1,709.81	V	MO
65955	1/17/2018	SO CA GAS	Southern California Gas	470.08	V	MO
65944	1/10/2018	STAFF	Staff Assistance, Inc	240.00	V	
65952	1/17/2018	HUFF	Susan Huff	50.00	F	MO
65967	1/24/2018	DORIA	Thomas Doria, MD	200.00	B	MO
65921	1/3/2018	US POST METR	United States Postal Svc	400.00	V	
65977	1/24/2018	VALIC	VALIC	1,046.67	V	MO
65922	1/3/2018	VC SHERIFF	VC Sheriff's Office	120.41	V	BI-WKLY
65956	1/17/2018	VC SHERIFF	VC Sheriff's Office	114.72	V	BI-WKLY
65923	1/3/2018	VISION	Vision Services Plan	162.46	V	MO
65978	1/24/2018	VOYAGER	Voyager Fleet Systems Inc	656.72	V	MO

Cash account Total 75,510.41

Report Total 75,510.41

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SECTION 7

**SECTION 7-A
CLOSED SESSION
CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION,
GOVERNMENT CODE §54956.9(D)(1),
CAMARILLO HEALTH CARE VS. ROZANSKI, VENTURA COUNTY SUPERIOR
COURT CASE NO. 56-2016-00487601-CU-MC-VTA.**

FEBRUARY 27, 2018

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SECTION 7

**SECTION 7-B
CLOSED SESSION**

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION, ONE CASE,
GOVERNMENT CODE §54956.9(D)(1),
FERGUSON VS. CAMARILLO HEALTH CARE, VENTURA COUNTY SUPERIOR
COURT CASE NO. 56-2016-00478549-CU-BC-VTA**

FEBRUARY 27, 2018

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SECTION 8

RECONVENE FROM CLOSED SESSION

FEBRUARY 27, 2018

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SECTION 9

**ANNOUNCEMENT OF CLOSED SESSION
GOVERNMENT CODE 54957.1**

FEBRUARY 27, 2018

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SECTION 10

CONSENT AGENDA

**APPROVAL OF THE MINUTES OF THE FINANCE/INVESTMENT COMMITTEE
MEETING OF JANUARY 23, 2018**

SECTION 10-A

FEBRUARY 27, 2018

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MINUTES

January 23, 2018, 11:00 a.m.

Finance/Investment Committee Meeting

Camarillo Health Care District Board of Directors
3615 E Las Posas Road, Boardroom, Camarillo, CA 93010

Board of Directors

Mark Hiepler, Esq, Director - Absent
Tom Doria, MD, Director

Staff

Kara Ralston, Chief Executive Officer
Renee Murphy, Accounting Manager
Karen Valentine, Clerk to the Board

Participants

Cindy Fanning, Fanning and Karrh

1. **Call to Order** – The Finance/Investment Meeting was called to order by Director Tom Doria, at 11:01 a.m.
2. No public comment.
3. CEO Kara Ralston requested agenda items be reordered in the following order: District Audit Report, Disbursements, Legal Fees, Cash Investments, and Preliminary Operating Results.
4. CEO Kara Ralston relayed a message from contracted audit firm, Poindexter & Company, that his business, files and home were lost in the December 2017 Thomas Fire, the largest wildfire recorded in California's history. In light of the loss of a nearly 80% completed audit, and in light of the now urgent timeline in meeting state reporting requirements, the Finance and Investment Committee has requested an emergency proposal from local firm Fanning and Karrh, for the completion of a financial audit ending June 30, 2017, and for two years following. This proposal will be presented to the Board of Directors at the February 27, 2018 regularly scheduled meeting.
5. CEO Ralston discussed District disbursements for the quarter ending December 31, 2017.
6. CEO Ralston presented a quarterly review of legal fees.
7. Reviewed District investment results and tax revenue for the quarter ending December 31, 2017.
8. Reviewed Preliminary Operating Results by Department for quarter ending December 31, 2017.
9. The next Finance/Investment Committee Meeting is scheduled for April 24, 2018, at 11:00 a.m.
10. The Meeting adjourned at 11:55 a.m.

Thomas R. Doria
Director

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SECTION 10

CONSENT AGENDA

**APPROVAL OF MINUTES OF
THE REGULAR BOARD MEETING OF JANUARY 23, 2018**

SECTION 10-B

FEBRUARY 27, 2018

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MINUTES

January 23, 2018

Regular Meeting of the Board of Directors

3615 E. Las Posas Road, Suites 160 & 161, Camarillo, CA 93010

Board of Directors - Present

Rodger Brown, MBA, Board President
Richard Loft, MD, Clerk of the Board
Mark Hiepler, ESQ, Director
Thomas Doria, MD, Director

Staff - Present

Kara Ralston, Chief Executive Officer
Sonia Amezcua, Chief Administrative Officer
Renee Murphy, Accounting Manager
Karen Valentine, Clerk to the Board

Participants - Present

Michael Velthoen, Esq., *Ferguson Case Orr Patterson, LLP*
Rick Wood, *CSDA Financial Services - Teleconference*

1. **Call to Order and Roll Call** - The Regular Meeting of the Camarillo Health Care District Board of Directors was called to order on Tuesday, January 23, 2018, at 12:00 p.m., by Rodger Brown, President.
2. **Pledge of Allegiance** – Director Brown
3. **Amendments to The Agenda** – None
4. **Public Comment** – No Public Comments
5. **Presentations** – None
6. **Discussion/Action Item** -
 - A. CEO Ralston and Rick Wood presented the District’s Disbursements and Financial Report for the period ending December 31, 2017.

It was **MOVED** by Director Loft, **SECONDED** by Director Hiepler, and **MOTION PASSED** that the Board of Directors approve the District Disbursements and Financial Report for the period ending December 31, 2017.

Vote to Approve Financial Report For Period Ending December 31, 2017

Director Brown	Aye
Director Loh	Absent
Director Loft	Aye
Director Hiepler	Aye
Director Doria	Aye

- B. Discussion regarding the 2016/2017 fiscal year audit. CEO Ralston relayed a voice mail message from contracted audit firm, Poindexter & Company (Mark Poindexter), that his business, files and home were lost in the December 2017 Thomas Fire, the largest wildfire recorded in California's history, and therefore, he will not be completing the agreed upon financial audit for year ending June 30, 2017. Further, that voice mail instructed the District that Poindexter & Company will no longer accept government accounts. The issue was brought to the Finance/Investment Committee, and the following discussion ensued and was presented to the full Board: *In light of the loss of a nearly 80% completed audit, and in light of the now urgent timeline in meeting state reporting requirements, the Finance and Investment Committee has requested a proposal from local firm Fanning and Karrh, for the completion of a financial audit ending June 30, 2017, and for two years following.* This proposal will be presented to the Board of Directors at the regularly scheduled meeting on February 27, 2018.

Staff will inquire with District's insurance carrier regarding any potential for recovery of the loss of payments to Poindexter & Company toward an audit that will not be delivered; Poindexter & Company has also indicated their own inquiry into their liability insurance carrier.

7. **Closed Session:** Entered Closed Session at 12:30 p.m.

- A. Conference with Legal Counsel – Existing Litigation, one case, Government Code §54956.9(d)(1), Camarillo Health Care vs. Rozanski, Ventura County Superior Court Case No. 56-2016-00487601-CU-MC-VTA.
- B. Conference with Legal Counsel – Existing Litigation, one case, Government Code §54956.9(d)(1), Ferguson vs. Camarillo Health Care, Ventura County Superior Court Case No. 56-2016-00478549-CU-BC-VTA.

8. **Reconvene from Closed Session:** Reconvened at 1:42 p.m.

9. **Announcement of Closed Session** – Pursuant to Government Code §54957.1 – The legislative body of any local agency shall publicly report any reportable action taken in closed session and the vote or abstention on that action of every member present.

- A. No Reportable Action
B. No Reportable Action

10. **Consent Agenda** – It was **MOVED** by Director Doria, **SECONDED** by Director Hiepler and **MOTION PASSED** that the Board of Directors approve the Consent Agenda as presented.

Vote to Approve Consent Agenda

Director Brown:	Aye
Director Loh:	Absent
Director Loft:	Aye
Director Hiepler:	Aye
Director Doria:	Aye

11. A. The Board of Directors reviewed District Resolution 18-01, Approving Submission of Application and Petition to Potential Funding Sources, and Authorizing Signatures.

It was **MOVED** by Director Loft, **SECONDED** by Director Doria, and **MOTION PASSED**, to approve Resolution 18-01, Approving Submission of Application and Petition to Potential Funding Sources, and Authorizing Signatures.

<u>Vote to Approve Resolution 18-01</u>	
Director Brown:	Aye
Director Loh:	Absent
Director Loft:	Aye
Director Hiepler:	Aye
Director Doria:	Aye

- B. The Board of Directors reviewed the revised Pay Schedule, Attachment B, determining the amount of compensation earnable pursuant to California Code of Regulations (CCR) Title 2, Section 570.5.

It was **MOVED** by Director Doria, **SECONDED** by Director Loft, and **MOTION PASSED** to approve the revised Pay Schedule, Attachment B, determining the amount of compensation earnable pursuant to California Code of Regulations (CCR), Title 2, Section 570.5.

<u>Vote to Approve Revised Pay Schedule</u>	
Director Brown:	Aye
Director Loh:	Absent
Director Loft:	Aye
Director Hiepler:	Aye
Director Doria:	Aye

12. **CEO Report - Deferred.**

13. **Board President's Report** – President Brown announced the following Committee assignments:

Executive Committee:	Director Brown, Director Loh
Finance/Investment Committee:	Director Hiepler, Director Doria
VC Special District Assn:	Director Brown, Director Loft

14. Future Meetings

Board of Directors Meetings

- | | |
|--------------------------------------|--|
| • Executive Committee (Brown, Loh) | Tuesday, February 20, 2018, 12:00 p.m. |
| • Full Board | Tuesday, February 27, 2018, 12:00 p.m. |
| • Executive Committee (Brown, Loh) | Tuesday, March 20, 2018, 12:00 p.m. |
| • Full Board | Tuesday, March 27, 2018, 12:00 p.m. |
| • Executive Committee (Brown, Loh) | Tuesday, April 10, 2018, 12:00 p.m. |
| • Finance Committee (Hiepler, Doria) | Tuesday, April 27, 2018, 11:00 a.m. |
| • Full Board | Tuesday, April 27, 2018, 12:00 p.m. |

15. Having no further business, this meeting is adjourned at 1:53 p.m.

Richard Loft
Clerk of the Board

SECTION 10

CONSENT AGENDA

**APPROVAL OF THE MINUTES OF THE SPECIAL BOARD MEETING OF
FEBRUARY 14, 2018**

SECTION 10-C

FEBRUARY 27, 2018

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MINUTES

February 14, 2018

Special Meeting of the Board of Directors

3687 E. Las Posas Road, Suite 190, Camarillo, CA 93010

Board of Directors - Present

Rodger Brown, MBA, Board President
Christopher Loh, MD, Vice President
Richard Loft, MD, Clerk of the Board
Mark Hiepler, ESQ, Director
Thomas Doria, MD, Director

Staff - Present

Kara Ralston, Chief Executive Officer
Karen Valentine, Clerk to the Board

Participants - Present

Michael Velthoen, Esq., *Ferguson Case Orr Patterson, LLP*

1. **Call to Order and Roll Call** - The Special Meeting of the Camarillo Health Care District Board of Directors was called to order on Wednesday, February 14, 2018, at 8:44 a.m., by Rodger Brown, President.
2. **Pledge of Allegiance** – Director Loh
3. **Amendments to The Agenda** – None
4. **Public Comment** – No Public Comments.
5. **Closed Session:** Entered Closed Session at 8:45 a.m.
 - A. Conference with Legal Counsel – Existing Litigation, one case, Government Code §54956.9(d)(1), Camarillo Health Care vs. Rozanski, Ventura County Superior Court Case No. 56-2016-00487601-CU-MC-VTA.
 - B. Conference with Legal Counsel – Existing Litigation, one case, Government Code §54956.9(d)(1), Ferguson vs. Camarillo Health Care, Ventura County Superior Court Case No. 56-2016-00478549-CU-BC-VTA.
6. **Reconvene from Closed Session:** Reconvened at 10:43 a.m.

7. **Announcement of Closed Session** – Pursuant to Government Code §54957.1 – The legislative body of any local agency shall publicly report any reportable action taken in closed session and the vote or abstention on that action of every member present.
 - A. No Reportable Action
 - B. No Reportable Action
8. Having no further business, this meeting is adjourned at 10:44 a.m.

Richard Loft
Clerk of the Board

SECTION 10

CONSENT AGENDA

**APPROVAL OF THE MINUTES OF THE EXECUTIVE/AGENDA PLANNING
COMMITTEE MEETING OF FEBRUARY 20, 2018**

SECTION 10-D

FEBRUARY 27, 2018

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MINUTES

February 20, 2018

Executive/Agenda Building Committee Meeting

Camarillo Health Care District Board of Directors

3615 E Las Posas Road, Boardroom, Camarillo, CA 93010

Board Members Present:

Rod Brown, MBA, President

Staff Present:

Kara Ralston, Chief Executive Officer

Karen Valentine, Clerk to the Board

-
1. **Call to Order** – The Executive Committee was called to order by Board President, Rod Brown, at 12:05 p.m., in the office of the Chief Executive Officer.
 2. **Public Comment** – No Public Comment
 3. Reviewed the Minutes of the regularly scheduled Board Meeting of Tuesday, January 23, 2018.
 4. Reviewed the proposed Agenda for the regularly scheduled Board Meeting of Tuesday, February 27, 2018.
 5. Reviewed District Disbursements for period ending January 31, 2018.
 6. Reviewed the following Action Items:
 - 11A** – Reviewed authorization for the June 30, 2017 Financial Audit be performed outside the timeline stated in Section 5 of the District’s Finance Policy.
 - 11B** – Reviewed Audit Proposal and Contract from Fanning & Karrh for Fiscal Year Ending June 30, 2018, with an option for two additional audit years.
 - 11C** – Quarterly review of the District’s Investment Report for the period ending December 31, 2017.
 7. Discussed the appointment of an Ad Hoc Committee to facilitate the Chief Executive Officer Review.
 8. Meeting adjourned at 1:15 p.m.

Rod Brown
President

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SECTION 11

ACTION ITEMS

**AUDIT DISCUSSION
SECTION 11-A**

FEBRUARY 27, 2018

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FINANCE POLICY

Revised October 24, 2017

**Camarillo Health Care District
3639 E. Las Posas Road, Camarillo, CA 93010
805-388-1952**

CAMARILLO HEALTH CARE DISTRICT FINANCE POLICY

SECTION 1. PURPOSE

The Camarillo Health Care District will follow generally accepted accounting principles and governmental accounting standards.

SECTION 2. FINANCE/INVESTMENT COMMITTEE

It is the policy of the District that the Finance/Investment Committee is responsible for the fiscal control of District's cash and investments. Thus, the Committee is responsible for monitoring, investing, and reinvesting District funds and for reporting or recommending any action to the Board of Directors. The Finance/Investment Committee shall review the financial plan and report to the Board of Directors

The Finance/Investment Committee is authorized to make investments solely per the Government Code section 53601.5, et. Seq., the Health and Safety Code, Section 32000, et. Seq., and District Investment Policies.

SECTION 3. BUDGET PROCESS

The annual operating budget for the fiscal year will project income and expenses and will provide for programs and support services planned for the year.

The annual capital budget for the fiscal year will project expenses for capital purchases as per the capital expense plan.

The Board of Directors will approve the annual operating budget and the annual capital budget on or before June 30, prior to the ensuing budget period.

Monthly financial statements comparing revenue and expenditures, including a balance sheet, will be provided to the Board of Directors, with significant variances clarified.

During the budget year, changes of income or expenditure which would materially or significantly alter the annual plan of operation, will be reflected in a budget revision and approved by the Board of Directors.

SECTION 4. FINANCIAL PRACTICES

The Chief Executive Officer (CEO) will follow standard business practices in payment of District obligations and will maintain adequate liquidity to meet those obligations. Authorized signatories are the Chief Executive Officer (CEO), Chief Resource Officer (CRO), and all members of the Board of Directors.

One signature will be required for checks up to the amount of \$ \$5,000. Checks for more than that amount will require two (2) signatures, one of which shall be a member of the Board of Directors.

Wire transfers between District accounts shall require only one signature by an authorized signatory. All other wire transfers shall require two (2) signatures; one of which shall be a member of the Board of Directors.

Gifts of securities will be liquidated upon receipt unless otherwise restricted by the donor.

Funds will be invested according to investment policies approved by the Board of Directors.

The District will comply with the disclosure of reimbursements pursuant to Government Code Section 53065.5, which addresses reimbursement to a member of the Board of Directors for *“charges for services or product received.”*

SECTION 5. ANNUAL AUDIT

The District will engage in an annual, independent financial audit by way of contract. Upon expiration of a current audit contract, the Board of Directors shall consider recommendations from the Finance/Investment Committee regarding a new audit contract and terms.

Following appropriate audit proposal review, the Finance/Investment Committee will present a recommendation to the Board of Directors for approval of an independent financial audit firm and contract terms.

The auditor will present complete audited financial statements, auditor’s recommendation letter, and a Management Discussion & Analysis letter to the Board of Directors, for review and approval within six (6) regularly scheduled meetings of the Board of Directors, of the close of the fiscal year.

SECTION 6. ASSET PROTECTION

Both the Investment Policy and the Finance Policy of the District will be reviewed and approved by the Board of Directors annually.

Real estate may be acquired or divested under the CEO's supervision after approval by the Board of Directors and pursuant to Government Code 54956.8.

The CEO is authorized to purchase insurance against casualty and liability losses to the District or its Board members and employees in performance of their duties on behalf of the District.

SECTION 7. RETURNED CHECK SERVICE CHARGE

It is the policy of the Camarillo Health Care District to charge clients a service charge for any payment by check that is not honored by their bank.

According to California Civil Code, Chapter 522, Section 1719 (1983 Statutes), any person who writes a check, or any order for payment of money, which is not honored for lack of funds may be held liable in a court of law for three (3) times the amount of the check or \$100.00, whichever is greater plus the amount of the check and court costs.

The District may charge a fee for each returned check, in addition to any finance charge that develops due to the late payment.

SECTION 8. DISTRICT CREDIT CARDS

The Camarillo Health Care District has established credit card accounts in order to facilitate an efficient and cost effective manner of handling purchasing needs.

The CEO must give prior approval for any use of District credit cards, or in his/her absence, the Chief Administrative Officer, the Chief Resource Officer, or any Board member.

SECTION 9. CAPITAL EXPENDITURE

The threshold for budgeted capital purchases shall be a value of \$1,000 or greater with an expected useful life of more than one year.

The Board of Directors approves an annual Capital Budget as part of the fiscal budgeting process. A list of capital expenditures will be included in the quarterly financial review.

SECTION 10. DISTRICT FINANCE CHARGE

It is the policy of the Camarillo Health Care District to charge clients a finance charge for any payment on account not made by the last day of the month.

The District may charge an interest rate of 12 % per year (1% per month) for unpaid balances.

Record of Review History

Year of Review	Date of Review	Status
1998	November	Revised
1999	October 19	Reviewed
2000	October 24	Revised
2002	May 21	Revised
2003	May 20	Revised
2004	February 24	Revised
2005	January 25	Revised
2006	July 25	Revised
2007	January 23	Revised
2007	November 13	Revised
2009	May 12	Revised
2010	September 28	Reviewed
2011	September 20	Reviewed
2012	January 24	Revised
2013	January 22	Revised
2016	April 26	Revised
2017	October 24	Revised

SECTION 11

ACTION ITEMS

**CONSIDERATION, DISCUSSION, AND DECISION ON AUDIT PROPOSAL AND
CONTRACT FROM FANNING AND KARRH, FOR THE FINANCIAL
AUDIT ENDING JUNE 30, 2017, WITH AN OPTION FOR
TWO ADDITIONAL AUDIT YEARS.**

SECTION 11-B

FEBRUARY 27, 2018

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**Proposal for Auditing Services for
Camarillo Health Care District
6/30/17 – 6/30/19**

Fanning & Karrh, CPA's
290 Maple Court, Suite 140
Ventura, CA 93003
805-654-0450

Cynthia L. Fanning
2/6/18

Fanning & Karrh

Certified Public Accountants

A Professional Corporation

CAMARILLO HEALTH CARE DISTRICT

PROPOSAL FOR AUDIT SERVICES

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Kara Ralston
Camarillo Health Care District
3615 E Las Posas Road
Camarillo, CA 93010

February 6, 2018

Dear Kara:

Mary and I appreciate the opportunity to again provide audit services for Camarillo Health Care District (District). We are pleased to provide you with our proposal.

Fanning & Karrh is a local firm dedicated to providing service to local organizations. Our firm has the requisite knowledge in the area of governmental accounting and auditing, and we believe that our services will benefit the District. We also have experience in performing audits in accordance with *Government Auditing Standards* as well as single audits performed in accordance with OMB Uniform Guidance.

Since we are a local firm, our responsiveness to the District's needs is always prompt. Experienced certified public accountants perform all phases of the audit which provides added value to the District. We understand the scope of the work to be performed and represent to you our commitment and ability to perform the work within the required time period.

Our proposal follows. This proposal is a firm and irrevocable offer for a minimum of 60 days from the date of this letter. If there is any additional information I can provide you or if you have any questions about our proposed services, please let me know. Both Mary Karrh and I are partners of Fanning & Karrh and are authorized to make representations on behalf of Fanning & Karrh. Our address is 290 Maple Court, Suite 140, Ventura, California and our phone number is 805-654-0450. Our email addresses are cfanning@sbcglobal.net and mkarrh@sbcglobal.net.

Sincerely,

Fanning & Karrh


Cynthia L. Fanning

B. STATEMENT OF INDEPENDENCE

Fanning & Karrh, its shareholders and employees are independent of Camarillo Health Care District as defined by Generally Accepted Auditing Standards and by the United States General Accounting Office's Government Auditing Standards.

C. LICENSE TO PRACTICE IN CALIFORNIA

Fanning & Karrh, CPA's and all key professional staff assigned to your audit are properly licensed to practice public accounting in the State of California.

D. FIRM QUALIFICATIONS AND EXPERIENCE

Fanning & Karrh is a local firm dedicated to providing service to local organizations. At the formation of the firm over twenty-five years ago, both partners brought significant audit and tax experience from previous employment, including both with time at the national accounting firm of Deloitte & Touche.

We are located at 290 Maple Court, Suite 140, Ventura, CA 93003. All work will be performed by the partners, Cindy Fanning and Mary Karrh. The same individuals that perform the audit procedures are the same individuals that meet with management and with the board of directors. As a result of this philosophy, our goal has been to remain as a 2 person firm and not expand by hiring staff.

Fanning & Karrh, CPA's provides audit and tax services. We have concentrated our audit practice in the areas of local governmental agencies and not-for-profit organizations.

Both partners have the computer skills necessary to evaluate the data processing environment of our clients. Furthermore, we utilize computer programs to increase the efficiency of our audit procedures.

Our firm has not been subjected to any federal or state desk review during the past three years.

Our firm maintains a thorough quality control program for our auditing and accounting practice. The quality control program includes a quality review process that reflects our willingness to be judged by our peers and demands a commitment to training, self regulation and improving the profession and quality of client services. Our last peer review was completed in January 2016. An unmodified report was received indicating Fanning & Karrh measures up to the accounting profession's high standards of quality and professionalism. Our peer review was conducted in accordance with the quality control standards set by the American Institute of Certified Public Accountants. Exhibit I of this proposal contains a copy of our most recent peer review report.

E. PARTNER, SUPERVISOR AND STAFF QUALIFICATIONS AND EXPERIENCE

The engagement will be performed by Cindy Fanning and Mary Karrh. They will be responsible for the planning and conduct of field work as well as review of the workpapers and reports.

Cindy Fanning has over thirty years of governmental audit experience and is a licensed Certified Public Accountant in the State of California. She has had 160 hours of continuing professional education over the past three years with an emphasis in the area of governmental accounting and auditing. Ms. Fanning is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Mary Karrh has over thirty years of governmental audit experience and is a licensed Certified Public Accountant in the State of California. She has had 175 hours of continuing professional education over the past three years, including hours of governmental accounting and auditing. Ms. Karrh is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

Fanning & Karrh is a member of the Governmental Audit Quality Center (GAQC). GAQC is a voluntary membership center which promotes the importance of quality governmental audits.

We feel that we are extremely well-qualified to perform your audit. We were the District's auditors for your fiscal years ended June 30, 2010 and 2011. We understand the District and we will attempt to minimize the transition from your current audit firm to Fanning & Karrh.

We currently provide audit services for several governmental organizations including Camrosa Water District, Children and Families First Commission of Ventura County, Pleasant Valley County Water District, Oxnard Drainage District No. 1, and Oxnard Drainage District No. 2. Most of these entities are government special district audits with audits performed in accordance with *Government Auditing Standards*. We also perform the audits several nonprofit organizations, some of which have or have recently had either a program specific audit or single audit performed in accordance with *Government Auditing Standards*.

As discussed above, Fanning & Karrh prides itself on providing a high level of service to its clients by maintaining direct contact throughout all phases of the audit. To achieve that goal, the same individuals that perform the audit procedures are the same individuals that meet with management and with the board of directors. In the unlikely event that key team members must be replaced, we will do so only with the prior written permission of the District.

F. REFERENCES

Camrosa Water District
2005 – 2009
2015 - current
GAS audit

Mr. Tony Stafford, General Manager
Ms. Tamara Sexton, Manager of Finance
(805) 388-0226

Children and Families First Commission
of Ventura County
2004 – current
GAS audit
Single audit (previous years)

Ms. Petra Puls, Executive Director
Ms. Jennifer Johnson, Director of Operations
(805) 648-9989

Pleasant Valley County Water District
2007 - current

Mr. Jared Bouchard, General Manager
Mr. Brian Cousino, Secretary/Treasurer
(805) 482-2119

Southeast Ventura County YMCA
2003 – current
GAS audit (previous years)
Program specific audit (previous years)

Mr. Ronnie Stone, President
Ms. JoAnn Anderson, Finance Director
(805) 497-3081

G. SPECIFIC AUDIT APPROACH

The purpose of the audit will be to express an opinion about whether the financial statements of the Camarillo Health Care District are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles.

The audit will be performed in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts.

Following is our work plan including an explanation of the audit methodology to be followed to perform the services included in your request for proposal.

Planning and Risk Assessment

During this phase of the audit, we will:

- Meet with management to coordinate our efforts pertaining to confirmations, schedules to be prepared and critical dates to be met to ensure a smooth flow of the audit process.
- Submit questionnaires and request for information to management regarding risk assessment and internal controls and procedures.
- Obtain an understanding of the general ledger and related reports available for audit.
- Establish the preliminary audit strategy for the expected conduct, organization and staffing of the audit.

- Determine the nature, timing, and extent of risk assessment procedures and perform the procedures, including the identification of material locations and account balances and the audit areas with a higher risk of material misstatement.
- Perform planning analytical procedures consisting of (1) comparative analysis (current balances versus budget and prior year); and (2) predictive analysis (revenues and expenses susceptible to such testing).
- Identify fraud risk factors, areas where special audit consideration may be necessary and other areas where there may be higher risks of material misstatement.
- Assess audit risk at both the overall financial statement level and in relation to transaction classes, account balances and disclosures.
- Develop a detailed audit plan for the nature, timing and extent of further audit procedures.
- Confer with management regarding the results of our planning.

We will meet with management during this phase to discuss the audit plan and any specific audit issues identified.

Audit Field Work

Based on our preliminary assessment of the internal control structure, we will perform:

- Compliance testing of significant processes.
- Substantive procedures such as confirming account balances and testing account reconciliations.
- Procedures to search for commitments and contingencies, including obtaining lawyer's representation letters.
- Procedures to search for subsequent events that occur after the balance sheet date, that should be adjusted for or disclosed in the financial statements.

To audit the District's compliance with laws and regulations, copies of agreements and contracts will be obtained and read. These will include grant agreements and debt agreements as well as contracts with contractors and customers. Testing of compliance with the applicable laws and regulations will be dependent upon the specific terms of the agreements and contracts.

Samples sizes will depend on the extent of reliance placed on the given sample and the volume of transactions involved. Random sampling will be used to ensure that all samples truly represent the population being tested. Your automated data system will be used by us on an "inquiry only" basis for purposes of identifying the postings of items selected for testing. Findings will be discussed with management for accuracy and the process of recommendations immediately started.

At the end of our field work, we will discuss any proposed adjustments with management and we will request a representation letter from management regarding the audit.

Completion of the Audit

At the completion of the above procedures, we will review drafts of all required reports and discuss these drafts with appropriate District personnel. We will also prepare our Management Letter containing identified control deficiencies, if any, and our recommendations concerning administrative and operating matters. Upon approval of the District, we will issue our reports in final form and be available for a presentation to the Board of Directors.

H. ADDITIONAL INFORMATION

We have performed various types of compliance audits, including single audits and program specific audits. We also have experience in conducting agreed-upon-procedures engagements in relation to specific accounts, policies and procedures and have assisted clients with evaluating and developing accounting policies and procedures.

We have assisted our clients in obtaining the GFOA Certificate of Achievement for Excellence in Financial Reporting and the California Society of Municipal Finance Officer Award for Outstanding Financial Reporting.

I. COMPENSATION

Our cost proposal anticipates keeping our time to a reasonable minimum by maximizing the participation of your personnel in routine aspects of the audit, such as preparation of schedules and analyses.

The professional fees (excluding out-of-pocket expenses which would be limited to \$500 per year) for our proposed audit services are as follows:

For fiscal year ending:	
June 30, 2017	\$18,000 to \$20,000
June 30, 2018	\$18,000 to \$20,000
June 30, 2019	\$18,700 to \$21,500

The professional fees for our audit services are based on the understanding that our fees will not exceed the stated maximum estimate unless unforeseen circumstances arise and if the engagement should require less time than is anticipated, our fees would be reduced accordingly.

We will be available for questions and technical issues as they arise during the period of engagement and, in fact, we encourage our clients to communicate with us often during the year. We want to know when accounting questions or issues arise. It is much easier to address those items on a timely basis rather than after the end of the year. We generally do not charge for this service unless substantial research time is required.

Our fees for additional services you may request will be mutually agreed upon before we commence work. Our rates range from \$125 to \$200 per hour, depending on the level of work performed. Typically, our rate for staff level work ranges from \$125 to \$135 per hour, our rate for manager level work is \$150 per hour and our rate for partner level work ranges from \$150 to \$200 per hour.

EXHIBIT II

EXTERNAL QUALITY CONTROL REVIEW REPORT



www.CoughlanNapaCPACo.com
Company@CoughlanNapaCPACo.com

System Review Report

January 18, 2016

To Fanning & Karrh, CPA's, A Professional Corporation and the Peer
Review Committee of the California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Fanning & Karrh, CPA's, A Professional Corporation (the firm) in effect for the year ended August 31, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included an engagement performed under *Government Auditing Standards*.

In our opinion, the system of quality control for the accounting and auditing practice of Fanning & Karrh, CPA's, A Professional Corporation in effect for the year ended August 31, 2015 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Fanning & Karrh, CPA's, A Professional Corporation has received a peer review rating of *pass*.

Coughlan Napa CPA Company, Inc.

Constance Coughlan

By: Constance Coughlan

SECTION 11

ACTION ITEMS

**QUARTERLY REVIEW AND APPROVAL OF THE DISTRICT INVESTMENT
REPORT FOR THE PERIOD ENDING DECEMBER 31, 2017.
SECTION 11-C**

FEBRUARY 27, 2018

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Camarillo Health Care District
 Report to the Finance Committee
 For the Quarter Ending December 31, 2017

	Balance as of 9/30/17	Interest Rate at 12/31/17	Quarterly Interest Earned	Deposits	Withdrawals	Current Balance 12/31/17	% of Total Restricted/ Non-Restricted
Restricted Cash Accounts							
Funds - Restricted Scholarship	\$ 3,410	n/a	n/a	3,907.26	(1,624.00)	\$ 5,694	100.0%
Total Restricted Cash	\$ 3,410		\$ -			\$ 5,694	100%
Non-Restricted Cash Accounts and Investments							
Local Agency Investment Fund (LAIF)	\$ 1,961,638	1.20%	\$ 5,856	\$ 905,856	\$ (300,000)	\$ 2,567,495	72.9%
Bank of the West General	202,162	n/a	n/a	\$ 1,933,893	\$ (1,569,644)	566,411	16.1%
Rabobank Business Savings	95,928	0.05%		5,827	-	101,756	2.9%
Rabobank Business Checking	280,561	0.02%		14	-	280,575	8.0%
Ventura County Treasurer Pool	4,052	0.88%		62	-	4,114	0.1%
Petty and Cash Drawer Accounts	1,155	n/a	n/a			1,155	0.0%
Total Unrestricted Cash and Investments	\$ 2,545,497		\$ 5,856			\$ 3,521,505	100%
Total Cash and Investments	\$ 2,548,907		\$ 5,856			\$ 3,527,198	
						\$ 978,291	
						Change during quarter	

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SECTION 12

CEO REPORT

FEBRUARY 27, 2018

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SECTION 13

**BOARD PRESIDENT'S REPORTS
DISCUSS AND APPOINT AD HOC COMMITTEE TO FACILITATE
CHIEF EXECUTIVE OFFICER REVIEW.**

FEBRUARY 27, 2018

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SECTION 14

BOARD MEMBERS INTERESTS OR CONCERNS

FEBRUARY 27, 2018