

# COUNTY OF SANTA BARBARA

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## OFFICE OF THE AUDITOR-CONTROLLER

### AUDITOR-CONTROLLER'S REPORT

To the Honorable Board of Supervisors  
County of Santa Barbara, California

Pursuant to California Government Code §26920, we have completed the required review of the accompanying Statement of Assets (the Statement) of the Santa Barbara County Treasurer as of December 31, 2017. The purpose of the review was to determine whether cash and investments as shown on the Statement are reasonably stated.

Our review included the following procedures:

- (1) Counting the cash in the County Treasury and cash and investments held on behalf of the Treasurer's Office.
- (2) Verifying that the records of the County Treasury and Auditor-Controller are reconciled for cash and investment accounts.

Based on our review, the amounts shown on the accompanying Statement of the Santa Barbara County Treasurer as of December 31, 2017 are reasonably stated.

David A. Medrano, CPA CFA CISA, FRM, CCEP, CFE  
Internal Audit Chief  
Auditor-Controller  
Santa Barbara, California  
February 6, 2018

**Santa Barbara County Treasurer's Investment Pool  
Statement of Assets  
As of December 31, 2017**

Asset Description	Cost	Net Unrealized Holding Gains/(Losses)	Fair Value* 12/31/2017	Percent of Portfolio	Yield to Maturity	Weighted Average Days to Maturity	Fair Value* 9/30/2017	Net Change
Cash	\$ 73,517,057	\$ -	\$ 73,517,057	4.58	0.370	1	\$ 21,449,345	\$ 52,067,712
California Asset Management Program (CAMP)	100,000,000	-	100,000,000	6.23	1.240	1	70,000,000	30,000,000
Local Agency Investment Fund (LAIF)	65,000,000	-	65,000,000	4.05	1.160	1	65,000,000	-
Federally Insured Cash Account (FICA)	100,000,000	-	100,000,000	6.23	1.030	1	75,000,000	25,000,000
U.S. Treasury Bills	79,465,865	157,085	79,622,950	4.96	1.240	118	44,703,450	34,919,500
U.S. Treasury Notes	207,706,660	(486,580)	207,220,080	12.90	1.368	547	193,462,435	13,757,645
Government Agency Bonds	242,316,335	(1,233,777)	241,082,558	15.01	1.410	559	207,301,721	33,780,837
Government Agency Discount Notes	239,304,793	1,148,716	240,453,509	14.97	1.166	84	215,454,981	24,998,528
Government Agency Bonds - Callable	503,376,138	(4,335,320)	499,040,818	31.07	1.567	828	428,639,698	70,401,120
<b>Total</b>	<b>\$ 1,610,686,848</b>	<b>\$ (4,749,876)</b>	<b>\$ 1,605,936,972</b>	<b>100.00</b>	<b>1.317</b>	<b>432</b>	<b>\$ 1,321,011,630</b>	<b>\$ 284,925,342</b>

\*Provided by Union Bank

**Treasurer's Pool Earnings Summary:**

<b>Total Net Earnings on the Treasurer's Pool**</b>	\$ 3,704,180
<b>Average Daily Balance on the Treasurer's Pool</b>	\$ 1,411,184,562
<b>Net Interest Rate on the Treasurer's Pool</b>	1.041%

\*\*Total net earnings including earned interest, amortization and realized gains and losses on investments.

See accompanying note and Auditor-Controller's Report

# **Santa Barbara County Treasurer's Investment Pool**

## **Notes to the Statement of Assets**

**December 31, 2017**

### **Note 1 – Summary of Significant Accounting Policies**

#### ***The Financial Reporting Entity***

The Treasurer's Investment Pool Statement of Assets includes the cash balances of substantially all funds, which are invested by the County Treasurer. The Santa Barbara County Treasurer's Investment Pool (The Pool) is managed by the Treasurer on behalf of the Pool participants which includes the County, local school districts, and certain special districts who are required by State statutes to participate in the pool. Other municipal agencies may voluntarily participate in the pool.

#### ***Cash***

The cash balance on the Statement of Assets includes cash on deposit at the bank, deposits in-transit to the bank, and deposits in-transit from banks for payments related to third-party credit card and debit card transactions.

#### ***Investments***

Pursuant to Section 53646 of the Government Code, the County Treasurer prepares an *Investment Policy Statement* annually and presents it to the Treasury Oversight Committee for review and the Board of Supervisors for approval.

The Investment Policy Statement provides the basis for the management of a prudent, conservative investment program. The objectives of the Pool are primarily to safeguard investment principal, secondarily to maintain sufficient liquidity to meet cash flow needs, and lastly to attain a return on the funds. All investments are made in accordance with the Government Code and, in general, the Treasurer's Investment Policy is more restrictive than state law. Types of securities in which the Treasurer may invest include U.S. Treasury and U.S. government agency securities; state and/or local agency bonds, notes, warrants or certificates of indebtedness; bankers' acceptances; commercial paper; corporate notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; the State of California Local Agency Investment Fund (LAIF); and investment pools managed by a Joint Powers Authority.

#### ***Financial Statement Presentation***

The accompanying special-purpose statement of assets was prepared on the modified cash basis of accounting and for the purpose of presenting the assets of the Treasury pursuant to the California Government Code Section 26920 and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, Treasury management has elected to omit certain note disclosures required by Governmental Accounting Standards Board statements since such disclosures are not required by the California Government Code Section 26920.