

Attachment

COUNTY OF SANTA BARBARA

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Auditor-Controller

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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 September 30, 2020. 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 September 30, 2020 are reasonably stated.

Barbara Gilner
Internal Audit Chief
Santa Barbara, California
November 5, 2020

**Santa Barbara County Treasurer's Investment Pool
Statement of Assets
As of September 30, 2020**

Asset Description	Cost	Net Unrealized Holding Gains/(Losses)	Fair Value* 09/30/2020	Percent of Portfolio	Yield to Maturity	Weighted Average Days to Maturity	Fair Value* 06/30/2020	Net Change
Cash	\$ 40,675,753	\$ -	\$ 40,675,753	2.47	0.060%	1	\$ 50,395,182	\$ (9,719,429)
JPMorgan Chase	5,000,000	-	5,000,000	0.30	0.010	1	5,000,000	-
California Asset Management Program (CAMP)	65,000,000	-	65,000,000	3.95	0.270	1	65,000,000	-
Local Agency Investment Fund (LAIF)	75,000,000	-	75,000,000	4.56	0.662	1	75,000,000	-
Federally Insured Cash Account (FICA)	5,000,000	-	5,000,000	0.30	0.100	1	25,000,000	(20,000,000)
U.S. Treasury Bills	124,919,687	53,063	124,972,750	7.59	0.135	79	119,953,700	5,019,050
U.S. Treasury Notes	83,461,523	2,753,927	86,215,450	5.24	1.759	505	156,480,900	(70,265,450)
Government Agency Bonds	249,416,732	4,362,500	253,779,232	15.41	1.482	536	328,221,104	(74,441,872)
Government Agency Discount Notes	454,488,125	261,075	454,749,200	27.62	0.156	182	384,828,300	69,920,900
Government Agency Bonds - Callable	535,212,478	709,359	535,921,837	32.56	0.843	1,195	488,350,427	47,571,410
Total	\$ 1,638,174,298	\$ 8,139,924	\$ 1,646,314,221	100.00	0.688%	554	\$ 1,698,229,613	\$ (51,915,390)

*Provided by Union Bank

Treasurer's Pool Earnings Summary:

Total Net Earnings on the Treasurer's Pool**	2,996,551
Average Daily Balance on the Treasurer's Pool	1,620,235,694
Net Interest Rate on the Treasurer's Pool	0.736%

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

Asset Description	Cost	Net Unrealized Holding Gains/(Losses)	Fair Value 09/30/2020	Percent of Portfolio	Yield to Maturity	Weighted Average Days to Maturity	Fair Value 06/30/2020	Net Change
Cannabis Cash***	\$ 4,668,173	\$ -	\$ 4,668,173	100.00	0.06%	1	\$ 5,681,646	\$ (1,013,473)
Total	\$ 4,668,173	\$ -	\$ 4,668,173	100.00	0.06%	1	\$ 5,681,646	\$ (1,013,473)

***Proceeds from Cannabis operations are segregated from the Investment Pool and do not receive Investment Pool interest apportionment.

Santa Barbara County Treasurer's Investment Pool

Notes to the Statement of Assets

September 30, 2020

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.