



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Auditor-Controller
Department No.: 061
For Agenda Of: 11/08/2011
Placement: Administrative
Estimated Tme:
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors

FROM: Department Robert W. Geis, CPA, Auditor-Controller, 568-2100
Director(s)
Contact Info: Heather Fletcher, CPA, Audit Manager, 568-2456

SUBJECT: **Accountants' Review Report on the Statement of Assets of the Santa Barbara County Treasurer's Investment Pool – As of September 30, 2011**

County Counsel Concurrence

As to form: N/A

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: N/A

As to form: No

Recommended Actions:

That the Board of Supervisors: Receive and file the Auditor-Controller's Report on the Statement of Assets of the Santa Barbara County Treasurer's Investment Pool, as of September 30, 2011.

Summary Text:

The Accountants' Review Report is being submitted pursuant to California Government Code Section 26920 and Santa Barbara County Code Section 2-23.2.

Background:

Funds that are controlled by the County Treasurer include currently available cash of the County as well as the cash invested into the pool by other governments (such as school districts, special districts and others). The Treasurer is responsible for investing all of these funds in accordance with California Government Code and the Treasurer's Investment Policy.

The goals of the Treasurer's Investment Policy are safety, liquidity, and yield, in that order. 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 bonds and notes; negotiable certificates of deposit; repurchase agreements; reverse repurchase agreements; securities lending; bank deposits; money market mutual funds; State of California Local Agency Investment Fund (LAIF); and investment pools managed by a Joint Powers Authority.

Furthermore, pursuant to California Government Code Section 27131, the Treasurer has established a

County Treasury Oversight Committee to review and monitor the Treasurer's Investment Policy and to promote public interest in the investment of public funds.

In accordance with California Government Code Section 26920(a), at least once in each quarter, the Auditor-Controller shall review the Treasurer's Statement of Assets of the Santa Barbara County Treasurer's Pool (the Statement).

For the quarter ended September 30, 2011 and for future quarterly reviews, the Treasurer elects to prepare the Statement using the modified cash basis of accounting and omit note disclosures required by generally accepted accounting principles. Therefore, our review of the Statement did not include a review of information required by generally accepted accounting principles. The Treasurer will prepare a set of financial statements under generally accepted accounting principles on an annual basis for the audit.

We reviewed the Statement as of September 30, 2011 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants and have issued our report thereon dated October 26, 2011. All information included in the Statement is the representation of the management of the County Treasurer. A review consists principally of inquiries of Treasury personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the Statement taken as a whole. Accordingly, we do not express such an opinion.

The quarterly review also included: 1) Counting cash in the County Treasury; and 2) Verification that the records of the County Treasurer and the Auditor-Controller reconcile pursuant to Government Code Section 26905.

Based on our review, we are not aware of any material modifications that should be made to the Statement in order for it to be in conformity with the modified cash basis of accounting.

Background:

Performance Measure:

Fiscal and Facilities Impacts: None

Budgeted: N/A

Fiscal Analysis: N/A

Staffing Impacts:

Legal Positions:
N/A

FTEs:
N/A

Special Instructions:

None

Attachments:

Accountants' Review Report
Statement of Assets – As of September 30, 2011, with accompanying notes

Authored by: Heather Fletcher, Audit Manager

cc: Harry Hagen, Treasurer-Tax Collector