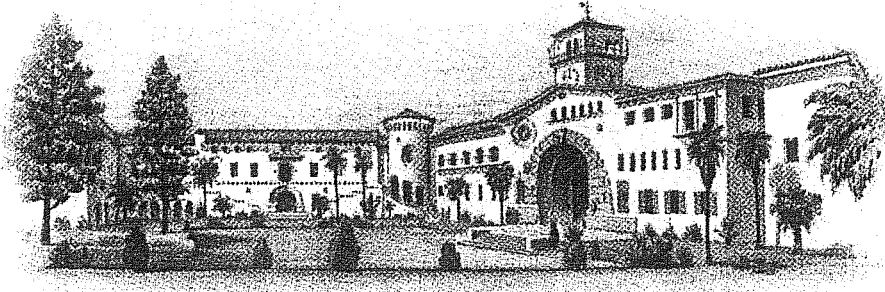


# COUNTY OF SANTA BARBARA

Robert W. Geis, C.P.A.  
Auditor-Controller

Theo Fallati, C.P.A.  
Assistant 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 December 31, 2013. 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, 2013 are reasonably stated.

Heather Fletcher, CPA  
Audit Manager  
Santa Barbara, California  
January 30, 2014

**Santa Barbara County Treasurer's Investment Pool  
Statement of Assets  
As of December 31, 2013**

<b>Asset Description</b>	<b>Cost</b>	<b>Net Unrealized Holding Gains/(Losses)</b>	<b>Fair Value* 12/31/2013</b>	<b>Percent of Portfolio</b>	<b>Yield to Maturity</b>	<b>Weighted Average Days to Maturity</b>	<b>Fair Value 9/30/13</b>	<b>Net Change</b>
<b>Cash</b>	\$ 157,881,744	\$ -	\$ 157,881,744	13.04	0.220	1	\$ 105,936,527	\$ 51,945,217
<b>California Asset Management Program (CAMP)</b>	20,000,000	-	20,000,000	1.65	0.060	1	26,000,000	(6,000,000)
<b>Local Agency Investment Fund (LAIF)</b>	50,000,000	-	50,000,000	4.13	0.270	1	50,000,000	-
<b>U.S. Treasuries</b>	34,878,906	(4,156)	34,874,750	2.88	0.445	751	-	34,874,750
<b>Government Agency Bonds</b>	395,155,818	160,832	395,316,650	32.65	0.354	324	325,464,650	69,852,000
<b>Government Agency Discount Notes</b>	164,859,453	86,247	164,945,700	13.62	0.129	140	104,985,850	59,959,850
<b>Government Agency Bonds - Callable</b>	391,279,314	(3,355,136)	387,924,178	32.03	0.989	1,248	348,669,596	39,254,582
<b>Total</b>	<u>\$ 1,214,055,235</u>	<u>\$ (3,112,213)</u>	<u>\$ 1,210,943,022</u>	<u>100.00</u>	<u>0.505</u>	<u>548</u>	<u>\$ 961,056,623</u>	<u>\$ 249,886,399</u>

\*Provided by Union Bank

**Treasurer's Pool Earnings Summary:**

<b>Total Net Earnings on the Treasurer's Pool</b>	\$ 974,923
<b>Average Daily Balance on the Treasurer's Pool</b>	\$ 1,048,935,806
<b>Net Interest Rate on the Treasurer's Pool</b>	0.369%

See accompanying note.

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

## **Note to the Statement of Assets**

**December 31, 2013**

### **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.

#### ***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 note disclosures required by Governmental Accounting Standards Board Statement no. 40, *Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3*, since such disclosures are not required by the California Government Code Section 26920.