

**County of San Joaquin
Treasurer-Tax Collector**

INVESTMENT FUND

**FINANCIAL STATEMENTS AND AUDIT REPORT
For the Fiscal Year Ended June 30, 2017**

**Jerome C. Wilverding
Auditor-Controller
County of San Joaquin**

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Treasurer-Tax Collector
INVESTMENT FUND
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Management’s Discussion and Analysis

The discussion and analysis of the financial performance of the Treasurer-Tax Collector’s Investment Fund of the County of San Joaquin (County) provides an overview of the investment activities for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the Investment Fund’s financial statements and the accompanying notes to the financial statements.

Our main objective in managing the Investment Pool is to safeguard the principal of the funds under our control and to ensure the cash needs of depositors are met. Within this objective, we try to achieve the best return on the funds in our control.

As the County’s Treasurer, we receive and account for all money that is deposited with us. Based on our cash flow analysis, we invest these monies in short and medium term instruments. As our main objective is to safeguard the principal, we do not take an aggressive approach in investing funds solely to maximize return. On a quarterly basis, we distribute the earnings, net of our investment expenses, to all Investment Pool participants, based on their average daily cash balance for that quarter.

Financial Highlights

- As of June 30, 2017, the Investment Pool had a net position of \$3,124.1 million, a 13.1% increase from that of the prior year’s \$2,763.3 million.
- The net investment income, excluding changes in market appreciation in investments, was \$24.6 million, an increase of 115% from the prior year’s \$11.5 million.
- The market value appreciation/(depreciation) at year-end was \$(14.9) million, which was a decrease from the \$2.4 million appreciation for the prior year.
- The investment expense was approximately 4% of the gross investment income, versus 6% for the prior year.

Using this Annual Financial Report and Financial Statements

This annual report consists of two financial statements, the *Statement of Net Position* and the *Statement of Changes in Net Position*.

These statements present a snapshot of account balances at year-end and corresponding changes for the year on the accrual basis of accounting. The accrual basis of accounting provides information on the activities of the Investment Pool as a whole and presents a long-term view of the Investment Pool’s finances. All of the current year’s earnings and expenses are taken into account regardless of when cash is received or paid. All of the equity deposits and withdrawals include those commitments made on or before the end of the fiscal year.

The net position – the difference between assets and liabilities – is one way to measure the Investment Pool’s financial health or position. Over time, increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating. Other non-financial factors will also need to be considered. Those factors, among others, include the goals of the Investment Pool, economic conditions of the market, the cash needs of the depositors, etc.

Net Investment Income

Net investment income increased by \$13.2 million from the prior year. Since we held all investments to their maturity, the income from changes in market value appreciation is excluded. If we include it, the net investment income then decreased by \$6.1 million from that of the prior year.

Changes in investment income and investments owned from the prior year are shown below (in \$000’s):

	<u>FY 2016-17</u>	<u>FY 2015-16</u>	<u>INCREASE / (DECREASE)</u>	
			<u>Amount</u>	<u>Percentage</u>
Investment income – excluding changes in market value appreciation (depreciation)	\$24,630	\$ 11,453	\$13,177	115.1%
Investments owned at year-end – Book Value	\$ 3,115,069	\$ 2,744,878	\$ 370,191	13.5 %
Investment income – including changes in market value appreciation (depreciation)	\$ 7,284	\$ 13,339	\$(6,055)	(45.4)%
Investments owned at year-end – Fair Value	\$ 3,100,152	\$ 2,747,306	\$ 352,846	12.8 %

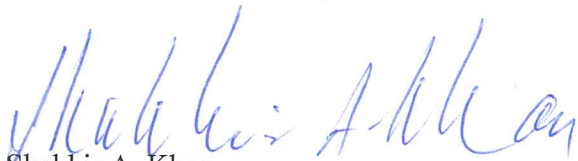
Investment Yield and Income Apportionment Factor

Based on our cash flow projections, 98% of the funds we hold are invested and the remaining cash and deposits are kept to meet the cash needs of the depositors. Hence, the investment yield is different from the income apportionment factor. The investment yield is the return on our investments, while the income apportionment factor is the actual return on total funds held by us.

	<u>FY 2016-17</u>	<u>FY 2015-16</u>
Investment yield – average	0.83%	0.53%
Income apportionment factor	0.87%	0.58%
Apportionment factor as a % of investment yield	95.14%	92.47%

Economic Factors and Next Year’s Projection

The economy gradually improved this fiscal year. The Federal Funds Rate increased from 0.5% to 1.25% whereas the prime rate increased from 3.50% to 4.25% for the period of July 2016 to June 2017. We estimate that the investment yield for the fiscal year 2017-18 should improve as we continue to invest in five-year instruments, which produce a better return.



Shabbir A. Khan
Treasurer-Tax Collector
County of San Joaquin



JEROME C. WILVERDING
AUDITOR-CONTROLLER
SAN JOAQUIN COUNTY



ASSISTANT AUDITOR-CONTROLLER
Jeffery M. Woltkamp, CPA

CHIEF DEPUTIES
Tod Hill – Accounting
Stanley Lawrence – Property Tax
Janice McCutcheon, CPA –
Internal Audit

PAYROLL ADMINISTRATOR
Lori Rolleri

December 1, 2017

Board of Supervisors
County of San Joaquin
44 N. San Joaquin St., Suite 627
Stockton, CA 95202

Dear Board Members:

We have audited the accompanying *Statement of Net Position* and the related *Statement of Changes in Net Position* of the San Joaquin County Treasurer-Tax Collector's (County Treasurer) Investment Fund, an investment pool for local government participants, as of and for the year ended June 30, 2017. These financial records and statements are the responsibility of the County Treasurer. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 9, the Auditor-Controller is mandated by various statutes within the California Government Code to perform certain accounting, auditing, and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence; however, we believe adequate safeguards and divisions of responsibility exist to mitigate the impairments.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County Treasury Investment Fund as of June 30, 2017, and the changes in net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017 on our consideration of the County Treasurer's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and does not provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and

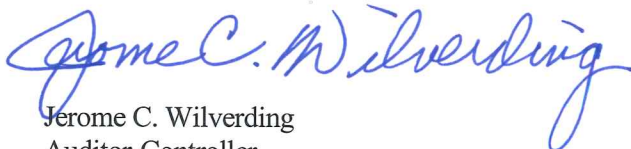
County of San Joaquin
Treasurer-Tax Collector – Investment Fund
For the Fiscal Year Ended June 30, 2017

important for assessing the results of our audit.

The “Management’s Discussion and Analysis” on pages one through three, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County Treasurer Investment Fund’s basic financial statements. The “Schedule of Investments Owned as of June 30, 2017” listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,



Jerome C. Wilverding
Auditor-Controller
County of San Joaquin

JCW/jm

**COUNTY OF SAN JOAQUIN
TREASURER-TAX COLLECTOR -- INVESTMENT FUNDS
STATEMENT OF NET POSITION
As of JUNE 30, 2017**

	Pool Investment			Total Treasurer's Investment Funds	
	Superior Court, School/Local Board Districts	Unapportioned Interest Earnings Trust	County Funds	FY 2016-17	FY 2015-16
ASSETS					
Cash and Investments:					
Book value	\$ 1,489,224,249	\$ 314,913	\$ 1,609,074,299	\$ 3,098,613,461	\$ 2,726,087,997
Market value appreciation (depreciation)	(7,170,608)	-	(7,747,219)	(14,917,827)	2,428,388
Cash & investments (Fair Value)	1,482,053,641	314,913	1,601,327,080	3,083,695,635	2,728,516,385
Receivables:					
Investment income receivable	-	8,182,707	-	8,182,707	3,983,140
Investment income apportionment receivable (payable)	3,654,440	(8,263,721)	4,609,281	-	-
Pool participants fund deposit receivable	-	-	185,170,397	185,170,397	272,018,564
Receivable - other	-	274,795	-	274,795	-
Total receivables	3,654,440	193,781	189,779,678	193,627,898	276,001,704
Other assets	-	-	44,982,994	44,982,994	57,843,495
TOTAL ASSETS	1,485,708,081	508,694	1,836,089,752	3,322,306,527	3,062,361,585
DEFERRED OUTFLOW OF RESOURCES	-	-	-	-	-
LIABILITIES					
Pool participants fund withdrawal payable	-	-	197,983,484	197,983,484	298,830,365
Investment expenses payable	-	211,590	-	211,590	213,842
TOTAL LIABILITIES	-	211,590	197,983,484	198,195,074	299,044,207
DEFERRED INFLOW OF RESOURCES	-	-	-	-	-
NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS	\$ 1,485,708,081	\$ 297,104	\$ 1,638,106,268	\$ 3,124,111,453	\$ 2,763,317,378

The accompanying notes are an integral part of the financial statements.

**COUNTY OF SAN JOAQUIN
TREASURER - TAX COLLECTOR -- INVESTMENT FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Pool Investment			Total Treasurer's Investment Funds	
	Superior Court, School/Local Board Districts	Unapportioned Interest Earnings Trust	County Funds	FY 2016-17	FY 2015-16
ADDITIONS					
Additions to funds managed by the Treasurer	\$ 4,946,004,443	\$ 300,727	\$ 3,621,207,987	\$ 8,567,513,156	\$ 7,864,830,657
Net investment income	10,717,788	-	13,912,638	24,630,426	11,452,759
Allocation of changes in market value appreciation/(depreciation)	(8,330,416)	(327)	(9,015,472)	(17,346,215)	1,886,458
Total Additions	4,948,391,815	300,400	3,626,105,153	8,574,797,367	7,878,169,873
DEDUCTIONS					
Deductions from funds managed by the Treasurer	4,756,717,382	3,623	3,451,381,045	8,208,102,050	7,423,973,067
Investment income apportioned to pool participants	10,717,788	-	13,912,638	24,630,426	11,452,759
Total Deductions	4,767,435,170	3,623	3,465,293,684	8,232,732,476	7,435,425,826
CHANGES IN NET POSITION	180,956,645	296,777	160,811,469	342,064,891	442,744,048
NET POSITION - BEGINNING:					
Reserved for unrealized market value appreciation	1,159,808	327	1,268,253	2,428,388	541,930
Unrestricted	1,277,778,559		1,483,110,431	2,760,888,990	2,332,852,631
Adjustments to Beginning Net Position ¹	25,813,070		(7,083,885)	18,729,184	(12,821,231)
NET POSITION - BEGINNING OF YEAR	1,304,751,437	327	1,477,294,799	2,782,046,562	2,320,573,330
NET POSITION - ENDING:					
Reserved for unrealized market value appreciation	(7,170,608)	-	(7,747,219)	(14,917,827)	2,428,388
Unrestricted	1,492,878,689	297,104	1,645,853,487	3,139,029,280	2,760,888,990
NET POSITION - ENDING	\$ 1,485,708,081	\$ 297,104	\$ 1,638,106,268	\$ 3,124,111,453	\$ 2,763,317,378

¹ Difference between FY 2015-16 Balance Reported Per Investment Statement and Balance Per Audited County Financial Statements

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

In accordance with Government Code (GC) §27000, the Treasurer of the County of San Joaquin (County) has the fiduciary responsibility of receiving and keeping safely “all money belonging to the County and all other money directed by law to be paid to him and apply and pay it out, rendering the account as required by law”. Pursuant to GC §53607, the County Treasurer, as delegated by the Board of Supervisors and the legislative body of other agencies, has the authority and responsibility to invest or reinvest funds so deposited with the County Treasury. This authority and responsibility are renewable annually and were first formalized by County Ordinance §2-2951 in March 1996. The most recent renewal was made on April 25, 2017 (Board Order B-17-254).

The County Treasurer manages the investments on a "pool" basis, unless special agreements call for an "individual" or "direct" investment. There were no such special agreements for FY 2016-17.

1. Summary of Significant Accounting Policies

a. Investment Valuation

All investments, including those with remaining maturities of less than ninety days, are valued at the last quoted sales price on the market in accordance with Statement No. 31 of the Governmental Accounting Standards Board (GASB), *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

b. Basis of Accounting

The County Treasurer maintains the accounting records of the investment income and distribution on the accrual basis of accounting, which provides that revenues be recognized when earned and expenditures, mainly the distribution of investment earnings, be recorded when the related liability is incurred.

Investments are recorded at cost, and where applicable includes amortization of investment premiums and discounts.

Investment transactions are accounted for on a trade date basis. Interest income includes amortization of investment premiums and discounts. The unrealized market appreciation/(depreciation) is not apportioned to pool participants as it is not available in the form of cash and the Treasurer does not liquidate the investment portfolio until the investments mature.

c. Investment Participants' Equity Transactions

The additions and reductions to the fund managed by the Treasurer represents the participants' deposits, disbursements, and withdrawals made in FY 2016-17. The deposits, disbursements, and withdrawals include all outstanding deposits and payables at year-end.

NOTES TO THE FINANCIAL STATEMENTS (continued)

d. Investment Pool Participants

The Investment Pool participants are classified into two major groups: (1) Superior Court, Schools and Local Board Districts; and (2) County Funds. The Superior Court is governed by the State's Administrative Office of the Courts and the Schools and Local Board Districts represent all school districts and special districts governed by local boards within the County of San Joaquin. These entities are either required by law or have chosen to maintain funds with the County Treasurer.

County Funds include all of the County's operating and trust funds, the County's clearing (holding) accounts, and special districts' funds controlled by the County Board of Supervisors. The *Un-apportioned Interest Earnings Trust Fund*, a County holding fund, is presented separately on the financial statements to provide the accounting of the operational results of the pool investment.

2. Investment Policy

Pursuant to Government Code §27000.3(c) and §53600.3, the County Treasurer operates its temporary pooled surplus money investment program under the "Prudent Investor Standard." As required by Government Code §27000.5 and §53600.5 regarding funds controlled by the County Treasury, the Treasurer's investment policy sets three objectives in their order of priority as follows:

- Safety – safeguard the principal of the funds
- Liquidity – meet the cash needs of the depositor
- Yield – achieve a return on the funds

On average, the Treasurer invested approximately 98.82% of the total funds deposited in the Treasury during the audited period, a 0.11% increase from the prior year's 98.71%. The remaining funds were held in the bank as a compensated balance requirement. The Treasurer generally holds all investments to maturity.

Government Code §53601 and §53635 restrict the types of investments in which the County Treasurer can invest. Based on these statutes, the County Treasurer investment policy lists the authorized investments as follows:

- US Treasury bills, notes, and bonds
- Federal Agency issues of FNMA, FHLMC, FFCB, and FHLB
- Medium Term Notes
- Time Deposits
- Commercial Paper
- Banker's Acceptances
- Repurchase Agreements
- Mutual Funds
- Registered California State Warrants or Bonds
- Local Agency Investment Fund (LAIF)
- Government Code §53601(m) Specific Securities
- Bank Deposits

The investment policy also places certain restrictions on the structure of the Treasurer's investment

NOTES TO THE FINANCIAL STATEMENTS (continued)

portfolio. For example: (a) banker’s acceptances are limited to 40% of the investment portfolio and 30% of the banker’s acceptances of one commercial bank; (b) commercial paper is limited to 30% percent of the investment portfolio and maximum maturity of 270 days; and (c) certificates of deposit are limited to 30% of investments and maximum maturity of one year. Assuming all callable investments are held to maturity, the maturity structure of pooled investments as of June 30, 2016, and 2017 is as follows:

	<u>1 day - 30 days</u>	<u>31 days - 180 days</u>	<u>181 days - 1 year</u>	<u>More than one year</u>
06/30/16	21%	46%	21%	12%
06/30/17	19%	27%	16%	38%

The average number of days from the end of each fiscal year to the maturity date of the pooled investments held on hand at June 30, 2016, and 2017 were 211 and 490 days, respectively.

3. Deposits

At year-end, the total cash on hand and authorized deposits at various financial institutions had a bank value of \$35 million. Of the total deposits, \$34.9 million was uninsured but secured by the pledging banks and, therefore, was exposed to **custodial credit risk**. The custodial credit risk is the risk that in the event of a bank failure, the total deposits may not be returned.

Statutes and County investment policy allow the pool deposits be covered by federal depository insurance or by a multiple financial institution collateral pool, which is maintained at a minimum of 110% of the uninsured deposits with the pledging institution’s agent in the institution’s name. The County Treasurer has made no exceptions to this requirement during the current year.

4. Investments

As of June 30, 2017, the County Treasurer had the following pool investments.

	<u>Fair Value</u> <u>(“FV”)</u>	<u>Wtd. Avg.</u> <u>Maturities</u> <u>(Days)</u>	<u>FV as a %</u> <u>of the Pool</u> <u>Investments</u>	<u>Credit</u> <u>Rating</u> <u>S&P/MIS*</u>
Commercial Paper	\$ 398,203,016	101	12.8%	A1 / P1
Federal Farm Credit Bank	336,336,755	735	10.9%	AA+ / Aaa
Federal Home Loan Bank	815,432,062	481	26.3%	AA+ / Aaa
Federal Home Loan Mortgage Corp.	768,689,002	550	24.8%	AA+ / Aaa
Federal National Mortgage Assn.	339,394,267	995	11.0%	AA+ / Aaa
Med. Term Note – Microsoft Corporation	10,040,255	524	0.3%	AAA / Aaa
Med. Term Note – GE Capital Corp.	20,036,848	143	0.6%	AA1 / A1
California Go Refunding Bond	69,233,717	473	2.2%	AA- /None-
Bank of the West Money Market Plus	50,000,000	N/A	1.6%	NR
Bank of the West Dreyfus Sweep Account	89,261,130	N/A	2.9%	AAA/Aaa
U.S. Treasuries	138,524,486	259	4.5%	AA+ / Aaa
State Local Agency Investment Fund (LAIF)	65,000,000	N/A	2.1%	NR
Total	\$ 3,100,151,538	490	100.00%	

N/A – Not Applicable

* S&P - Standard and Poor’s

NR – Not Rated

MIS - Moody’s Investor Services

NOTES TO THE FINANCIAL STATEMENTS (continued)

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the County investment policy, the County Treasurer manages the exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to three years or less. As of June 30, 2017, the weighted average maturity of the pool investments was 490 days.

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. California statutes and the County’s investment policy limit the County Treasurer investments to obligations of the U.S. Treasury, certain Federal agencies, registered California state warrants or bonds, banker’s acceptances, “prime” commercial paper, certificates of deposit, State Treasurer’s Local Agency Investment Fund (LAIF), medium-term notes, and repurchase agreements. Credit ratings of pool investments at June 30, 2017 are presented above.

Concentration of Credit Risk is the loss risk attributed to the magnitude of a government’s investment in a single issuer representing 5% or more of total investments. The County’s investment policy places a 30% maximum per commercial bank on banker’s acceptances. There are no limits per issuer on commercial paper and certificates of deposit but the total for each may not exceed 30% of the total investment portfolio as indicated in Note 2.

Investments in any one issuer (other than U.S. Treasury securities, mutual funds and external Investment Pools) representing 5% or more of the Investment Pool are as follows:

Issuer	Fair Value	% of Total Investments
Federal Home Loan Bank	815,432,062	26.3%
Federal Home Loan Mortgage Corp.	768,689,002	24.8%
Commercial Paper	398,203,016	12.8%
Federal National Mortgage Assn.	339,394,267	11.0%
Federal Farm Credit Bank	336,336,755	10.9%

Custodial Credit Risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of its investments or collateral securities that are in the possession of the outside party. There were no investments in repurchase agreements or securities lending transactions that exposed the County Treasurer investments to this type of risk.

Local Agency Investment Fund (LAIF) is an Investment Pool managed by the California Office of the Treasurer. The County’s total investment in the LAIF at June 30, 2017 was \$65 million. The total amount invested by all public agencies in LAIF at June 30, 2017 was \$77.6 billion. The LAIF investment portfolio at that date consisted of \$33.3 billion in U.S. Treasury securities, \$13.8 billion in Federal Agencies, \$15.9 billion in Certificates of Deposit/Bank Notes, and \$8.2 billion in Commercial Paper--with the balance consisting of loans and time deposits.

The Local Investment Advisory Board (LIAB) provides oversight for LAIF. The Board consists of five members as designated by California statute – the State Treasurer as Chairman, or his/her designated representative appoints two members qualified in the field of investment or finance, and two members who are treasurers, finance or fiscal officers or business managers employed by any county.

NOTES TO THE FINANCIAL STATEMENTS (continued)

5. Other Assets

Other assets are items that do not meet the criteria of a receivable and consist mainly of inventories, prepaid expenses, and capital assets.

6. Interest Earnings

Tracker investment software is used by the County Treasurer to record all Investment Pool interest earned, including amortization of discounts and premiums, for the month regardless of whether the interest has been received or not (accrual basis of accounting). At the end of each quarter, the monthly interest earned is compiled to determine the quarter's interest earnings that will be apportioned to the Investment Pool participants.

With regard to direct investments, the interest income is directly credited to the investing entities upon receipt of the interest income. There were no direct investments for FY 2016-17.

7. Distribution of Net Investment Income

The distribution or apportionment of net investment income to eligible funds in the Investment Pool is done quarterly pursuant to Government Code § 53647. It is computed by multiplying the average daily cash balance by the interest apportionment factor for the quarter.

The interest apportionment factor for a quarter is determined by dividing the investment earnings for the quarter by the average daily cash balances of all funds deposited with the County Treasurer for the quarter. The County's Tax & Revenue Anticipation Note (TRANS) proceeds, if any, are excluded from the computation of investment earnings and average daily cash balances in determining the apportionment factor since they are not part of the Investment Pool.

All funds are entitled to interest earnings with the exception of County clearing funds and funds specified by the Board of Supervisors or the Courts as non-interest bearing.

After all funds entitled to interest earnings have been apportioned their share, the remainder of the quarterly interest earned is credited to the County General Fund.

Interest apportioned to property tax funds is reallocated to all applicable agencies that receive property tax allocations based on a combined tax apportionment factor, which includes the 1% secured property tax, special assessments, and unsecured property taxes apportioned to each agency.

8. Teeter Plan

Pursuant to Revenue and Taxation Code §4701, the County has opted into the *Alternative Method of Property Tax Distribution* method since fiscal year 1993-94. This method is known as the *Teeter Plan*. Under the *Teeter Plan*, the County and all other taxing agencies receive 100% of the current secured tax levy and special assessments. In order to convert to the Teeter Plan, the County buys out the existing delinquent taxes owed to each taxing agency at June 30 of each year and uses the inter-fund borrowing

NOTES TO THE FINANCIAL STATEMENTS (continued)

method to finance the buy-out on an annual basis.

Based on the Notes issued by the County to the County Treasurer, the County agrees to pay interest on the note from the date of borrowing at the investment rate earned on investments held by the County Treasurer as specified on the *Treasurer's Quarterly Interest Earnings Report*. The inter-fund borrowing is evidenced by the *Tax Resource Trust Fund*. The interest earned on the Teeter Note is apportioned to pool participants on a quarterly basis.

A Teeter Note was not needed for FY 2016-17. Prior years' notes and their interest are as follows:

Teeter Plan FY	Date	\$ Amount	\$ Interest	Maturity Date
2007-2008	July 1, 2007	27,000,000	1,193,484	July 1, 2008
2008-2009	July 1, 2008	41,000,000	790,682	July 1, 2009
2009-2010	July 1, 2009	42,000,000	317,604	July 1, 2010
2010-2011	June 22, 2010	28,500,000	180,026	July 1, 2011
2011-2012	June 28, 2011	14,500,000	49,789	July 1, 2012
2012-2013	No Note Needed			
2013-2014	No Note Needed			
2014-2015	No Note Needed			
2015-2016	No Note Needed			
2016-2017	No Note Needed			

9. Auditor Independence

As required by various statutes within the California Government Code, County Auditor-Controllers are mandated to perform certain accounting, auditing and financial reporting functions. These activities, in themselves, necessarily impair the auditor's independence. Specifically, "Auditors should not audit their own work or provide non-audit services in situations where the amounts or services involved are significant or material to the subject matter of the audit." Although the office of the Auditor-Controller is statutorily obligated to maintain accounts of departments, districts or funds that are contained within the Investment Pool, we believe that adequate safeguards and divisions of responsibility exist to mitigate the impairment of independence. Therefore, we believe that subject to this qualification and disclosure, the reader can rely on the auditor's opinion contained in this report.



JEROME C. WILVERDING
AUDITOR-CONTROLLER
SAN JOAQUIN COUNTY



ASSISTANT AUDITOR-CONTROLLER
Jeffery M. Woltkamp, CPA

CHIEF DEPUTIES
Tod Hill - Accounting
Stanley Lawrence - Property Tax
Janice McCutcheon, CPA -
Internal Audit

PAYROLL ADMINISTRATOR
Lori Rolleri

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

December 1, 2017

Board of Supervisors
County of San Joaquin
44 N. San Joaquin St., Suite 627
Stockton, CA 95202

Dear Board Members:

We have audited the financial statements of the Investment Fund of the San Joaquin County Treasurer-Tax Collector (Treasurer), an investment pool for local government participants, for the year ended June 30, 2017, and have issued our report thereon dated December 1, 2017. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Treasurer's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Treasurer's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Treasurer's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Treasurer's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Treasurer's financial statements that is more than inconsequential will not be prevented or detected by the Treasurer's internal control.

County of San Joaquin
Treasurer-Tax Collector – Investment Fund
For the Fiscal Year Ended June 30, 2017

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Treasurer's internal control.

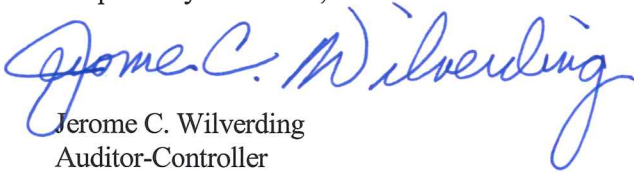
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Treasurer's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with the provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the County Board of Supervisors and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully Submitted,



Jerome C. Wilverding
Auditor-Controller
County of San Joaquin

JCW/jm

SUPPLEMENTAL SCHEDULE

COUNTY OF SAN JOAQUIN
 TREASURER-TAX COLLECTOR INVESTMENT FUND
 SCHEDULE OF INVESTMENTS OWNED
 AS OF JUNE 30, 2017

Par Value	DATE		Description	Cost	Market Value	% of Total Investments at Market Value
	Settlement	Maturity				
COMMERCIAL PAPER:						
10,000,000.00	05/22/17	07/05/17	METLIFE	9,988,633.33	9,988,397.00	0.32%
10,000,000.00	06/09/17	07/07/17	APPLE	9,993,155.56	9,992,727.67	0.32%
10,000,000.00	04/20/17	07/17/17	METLIFE	9,978,000.00	9,977,055.00	0.32%
10,000,000.00	06/01/17	07/18/17	METLIFE	9,987,597.22	9,986,457.22	0.32%
35,000,000.00	05/02/17	07/18/17	MICROSOFT CORP	34,937,116.67	34,932,356.67	1.13%
25,000,000.00	04/21/17	07/20/17	PFIZER INC	24,946,875.00	24,943,638.06	0.80%
5,000,000.00	04/24/17	07/21/17	EXXON MOBIL	4,989,977.78	4,989,160.95	0.16%
10,000,000.00	06/21/17	07/21/17	APPLE	9,991,666.67	9,991,177.00	0.32%
10,000,000.00	06/02/17	07/27/17	MICROSOFT CORP	9,985,791.67	9,984,381.67	0.32%
10,000,000.00	05/02/17	07/28/17	METLIFE	9,977,041.67	9,975,058.56	0.32%
40,000,000.00	06/19/17	08/04/17	COCACOLA	39,947,355.56	39,944,907.11	1.29%
5,000,000.00	06/22/17	08/04/17	APPLE	4,993,788.89	4,993,456.44	0.16%
5,000,000.00	06/22/17	08/07/17	MICROSOFT CORP	4,993,419.44	4,992,918.05	0.16%
25,000,000.00	06/16/17	08/14/17	JHNSN & JHNSN	24,957,798.61	24,954,828.61	0.80%
10,000,000.00	06/01/17	08/21/17	COCACOLA	9,978,962.50	9,976,507.06	0.32%
20,000,000.00	06/23/17	08/22/17	EXXON MOBIL	19,965,333.33	19,962,437.56	0.64%
10,000,000.00	05/23/17	11/07/17	METLIFE	9,944,933.33	9,942,284.44	0.32%
10,000,000.00	06/01/17	11/15/17	PFIZER INC	9,947,580.56	9,944,284.22	0.32%
5,000,000.00	06/23/17	11/15/17	PFIZER INC	4,977,041.67	4,975,585.17	0.16%
10,000,000.00	06/20/17	12/29/17	GECC	9,934,933.33	9,930,315.11	0.32%
10,000,000.00	06/01/17	01/02/18	APPLE	9,930,125.00	9,926,663.00	0.32%
5,000,000.00	06/26/17	01/02/18	APPLE	4,969,652.78	4,967,405.11	0.16%
10,000,000.00	06/01/17	01/03/18	APPLE	9,929,800.00	9,926,268.00	0.32%
40,000,000.00	05/25/17	02/16/18	TOYOTA	39,602,466.67	39,601,440.00	1.28%
10,000,000.00	05/26/17	02/20/18	NESTLE CAPITAL	9,918,250.00	9,901,494.78	0.32%
40,000,000.00	05/31/17	02/23/18	NESTLE CAPITAL	39,687,333.33	39,608,352.00	1.28%
10,000,000.00	06/26/17	03/12/18	TOYOTA	9,903,234.72	9,893,459.56	0.32%
\$400,000,000.00	Total Commercial Paper			\$398,357,865.29	\$398,203,016.02	12.84%

U.S. GOVERNMENT AGENCY OBLIGATIONS:

20,000,000.00	01/04/17	04/04/18	FFCB-B	19,998,666.68	19,979,481.32	0.64%
10,000,000.00	11/23/15	05/23/18	FFCB-B	9,995,987.78	9,987,226.37	0.32%
10,000,000.00	11/19/15	11/19/18	FFCB-B	10,000,000.00	9,981,400.00	0.32%
20,000,000.00	12/05/16	12/05/18	FFCB-B	19,972,550.00	19,919,416.23	0.64%
25,000,000.00	12/05/16	12/05/18	FFCB-B	24,957,062.50	24,896,824.57	0.80%
10,000,000.00	11/05/15	11/05/19	FFCB-B	9,987,890.08	9,951,501.86	0.32%
25,000,000.00	04/06/17	04/06/20	FFCB-B	25,045,250.00	24,982,009.35	0.81%
10,000,000.00	06/15/15	06/15/20	FFCB-B	9,997,000.00	10,034,975.04	0.32%

COUNTY OF SAN JOAQUIN
 TREASURER-TAX COLLECTOR INVESTMENT FUND
 SCHEDULE OF INVESTMENTS OWNED
 AS OF JUNE 30, 2017

Par Value	DATE		Description	Cost	Market Value	% of Total Investments at Market Value
	Settlement	Maturity				
25,000,000.00	12/28/16	12/28/20	FFCB-B	25,016,625.00	25,038,593.77	0.81%
15,000,000.00	11/08/16	09/08/17	FFCB-C	15,000,000.00	14,989,500.00	0.48%
20,000,000.00	11/14/16	05/14/18	FFCB-C	19,993,333.33	19,924,816.12	0.64%
10,000,000.00	02/15/17	08/15/19	FFCB-C	9,914,800.00	9,884,874.31	0.32%
20,000,000.00	09/06/16	09/06/19	FFCB-C	19,978,333.33	19,765,523.29	0.64%
10,000,000.00	01/06/17	01/06/20	FFCB-C	10,000,000.00	9,987,600.00	0.32%
23,000,000.00	01/06/17	01/06/20	FFCB-C	23,000,000.00	22,971,480.00	0.74%
10,000,000.00	02/10/17	02/10/20	FFCB-C	9,998,000.00	9,991,744.29	0.32%
10,000,000.00	08/17/16	02/17/21	FFCB-C	10,000,000.00	9,799,900.00	0.32%
15,000,000.00	07/26/16	07/26/21	FFCB-C	14,989,740.00	14,741,745.21	0.48%
25,000,000.00	05/26/17	04/10/18	FFCB-DN	24,747,458.33	24,740,041.67	0.80%
25,000,000.00	09/26/16	09/26/19	FFCB-DN	24,988,541.66	24,768,101.41	0.80%
338,000,000.00	Total FFCB			337,581,238.69	336,336,754.81	10.85%
15,000,000.00	06/27/17	03/14/18	FHLB	14,876,500.00	14,875,875.00	0.48%
10,000,000.00	03/21/16	03/21/18	FHLB	9,996,000.00	9,970,246.58	0.32%
20,000,000.00	11/02/16	11/02/18	FHLB	20,000,000.00	19,916,000.00	0.64%
10,000,000.00	03/18/16	03/18/19	FHLB	10,019,066.68	9,969,466.46	0.32%
15,000,000.00	11/01/16	11/01/19	FHLB	14,987,500.00	14,831,798.86	0.48%
15,000,000.00	11/01/16	11/01/19	FHLB	14,987,500.00	14,831,798.86	0.48%
10,000,000.00	12/30/15	12/30/20	FHLB	10,000,000.00	10,008,500.00	0.32%
20,000,000.00	09/30/16	09/30/21	FHLB	20,004,500.00	19,662,872.78	0.63%
10,000,000.00	07/25/16	07/25/17	FHLB-B	9,998,360.00	9,995,872.33	0.32%
25,000,000.00	09/22/15	09/22/17	FHLB-B	24,998,512.50	24,940,683.43	0.80%
10,000,000.00	12/08/15	12/08/17	FHLB-B	10,004,935.00	10,000,848.08	0.32%
15,000,000.00	12/08/16	01/16/19	FHLB-B	15,007,680.00	14,971,587.35	0.48%
10,000,000.00	02/08/17	02/08/19	FHLB-B	10,010,620.00	9,969,465.81	0.32%
10,000,000.00	02/21/17	02/21/19	FHLB-B	9,998,400.00	9,977,917.26	0.32%
25,000,000.00	02/28/17	02/28/19	FHLB-B	24,956,600.00	24,899,246.85	0.80%
15,000,000.00	03/27/17	06/27/19	FHLB-B	14,990,666.66	14,967,271.33	0.48%
25,000,000.00	04/06/17	07/15/19	FHLB-B	24,993,475.00	24,962,331.78	0.81%
10,000,000.00	10/29/15	04/29/20	FHLB-C	10,000,000.00	9,913,500.00	0.32%
25,000,000.00	09/01/16	09/01/21	FHLB-C	24,988,750.00	24,463,139.38	0.79%
25,000,000.00	11/23/16	11/23/21	FHLB-C	25,000,000.00	24,696,500.00	0.80%
25,000,000.00	11/30/16	11/24/21	FHLB-C	25,000,000.00	24,907,250.00	0.80%
25,000,000.00	12/06/16	12/06/21	FHLB-C	25,000,000.00	24,924,750.00	0.80%
10,000,000.00	01/04/17	07/05/17	FHLB-DN	9,968,402.78	9,968,670.84	0.32%
25,000,000.00	05/24/17	07/10/17	FHLB-DN	24,971,277.78	24,972,638.89	0.81%
20,000,000.00	07/25/16	07/17/17	FHLB-DN	19,875,050.00	19,873,200.00	0.64%
25,000,000.00	05/16/17	07/17/17	FHLB-DN	24,963,618.06	24,963,843.75	0.81%

**COUNTY OF SAN JOAQUIN
TREASURER-TAX COLLECTOR INVESTMENT FUND
SCHEDULE OF INVESTMENTS OWNED
AS OF JUNE 30, 2017**

Par Value	DATE		Description	Cost	Market Value	% of Total Investments at Market Value
	Settlement	Maturity				
25,000,000.00	07/21/16	07/18/17	FHLB-DN	24,839,111.11	24,836,611.11	0.80%
15,000,000.00	05/23/17	07/24/17	FHLB-DN	14,977,266.67	14,977,366.67	0.48%
10,000,000.00	06/22/17	07/27/17	FHLB-DN	9,990,277.78	9,991,077.78	0.32%
50,000,000.00	06/30/17	07/28/17	FHLB-DN	49,962,666.67	49,962,650.00	1.61%
30,000,000.00	06/06/17	08/07/17	FHLB-DN	29,949,883.33	29,950,900.00	0.97%
15,000,000.00	08/09/16	08/08/17	FHLB-DN	14,901,416.67	14,896,679.17	0.48%
25,000,000.00	04/06/17	09/01/17	FHLB-DN	24,915,722.22	24,908,597.22	0.80%
20,000,000.00	09/28/16	09/28/17	FHLB-DN	19,868,194.44	19,850,894.44	0.64%
20,000,000.00	04/21/17	09/29/17	FHLB-DN	19,922,183.33	19,915,766.67	0.64%
10,000,000.00	03/23/17	10/03/17	FHLB-DN	9,951,769.44	9,948,287.50	0.32%
10,000,000.00	04/12/17	10/11/17	FHLB-DN	9,953,741.67	9,950,520.83	0.32%
15,000,000.00	04/17/17	10/13/17	FHLB-DN	14,932,129.17	14,926,941.67	0.48%
15,000,000.00	05/30/17	10/24/17	FHLB-DN	14,939,056.25	14,937,197.92	0.48%
25,000,000.00	05/04/17	10/26/17	FHLB-DN	24,879,079.86	24,875,864.58	0.80%
20,000,000.00	05/03/17	11/01/17	FHLB-DN	19,901,922.22	19,896,744.44	0.64%
10,000,000.00	01/04/17	12/29/17	FHLB-DN	9,908,255.56	9,899,066.67	0.32%
15,000,000.00	03/01/17	02/13/18	FHLB-DN	14,869,125.00	14,847,825.00	0.48%
15,000,000.00	03/01/17	02/27/18	FHLB-DN	14,863,875.00	14,841,075.00	0.48%
15,000,000.00	10/26/16	10/26/20	FHLB-DN	15,000,000.00	14,728,200.00	0.48%
10,000,000.00	09/27/16	09/27/21	FHLB-DN	9,995,500.00	9,854,519.82	0.32%
820,000,000.00	Total FHLB			818,118,590.85	815,432,062.11	26.30%

20,000,000.00	02/01/17	08/01/19	FHLMC-B	19,950,000.00	19,912,022.17	0.64%
15,000,000.00	07/14/16	07/14/17	FHLMC-C	15,008,377.50	15,006,556.17	0.48%
20,000,000.00	06/29/15	06/22/18	FHLMC-C	19,998,333.32	19,993,879.70	0.64%
10,000,000.00	12/14/16	12/14/18	FHLMC-C	9,999,250.00	9,990,096.58	0.32%
15,000,000.00	12/30/16	06/28/19	FHLMC-C	15,000,000.00	14,963,550.00	0.48%
10,000,000.00	11/28/16	08/28/19	FHLMC-C	9,954,545.45	9,871,101.82	0.32%
10,000,000.00	11/28/16	11/27/19	FHLMC-C	9,991,583.33	9,958,553.59	0.32%
9,950,000.00	08/25/16	08/25/21	FHLMC-C	9,950,000.00	9,761,248.50	0.31%
25,000,000.00	08/30/16	08/27/21	FHLMC-C	24,994,513.15	24,362,085.02	0.79%
25,000,000.00	10/12/16	10/12/21	FHLMC-C	25,000,000.00	24,368,000.00	0.79%
20,000,000.00	10/18/16	10/18/21	FHLMC-C	20,000,000.00	19,498,200.00	0.63%
25,000,000.00	10/21/16	10/21/21	FHLMC-C	25,000,000.00	24,394,250.00	0.79%
25,000,000.00	11/15/16	11/15/21	FHLMC-C	25,000,000.00	24,345,500.00	0.79%
25,000,000.00	11/15/16	11/15/21	FHLMC-C	25,000,000.00	24,345,500.00	0.79%
15,000,000.00	08/31/16	08/14/17	FHLMC-DN	14,911,550.00	14,905,137.50	0.48%
15,000,000.00	09/02/16	08/15/17	FHLMC-DN	14,916,141.67	14,908,958.34	0.48%
15,000,000.00	08/31/16	08/16/17	FHLMC-DN	14,911,041.67	14,904,237.50	0.48%
15,000,000.00	09/02/16	08/17/17	FHLMC-DN	14,915,658.33	14,908,208.33	0.48%
15,000,000.00	08/31/16	08/18/17	FHLMC-DN	14,910,533.33	14,903,487.50	0.48%

**COUNTY OF SAN JOAQUIN
TREASURER-TAX COLLECTOR INVESTMENT FUND
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AS OF JUNE 30, 2017**

Par Value	DATE		Description	Cost	Market Value	% of Total Investments at Market Value
	Settlement	Maturity				
15,000,000.00	09/01/16	08/21/17	FHLMC-DN	14,910,025.00	14,902,391.67	0.48%
15,000,000.00	09/01/16	08/22/17	FHLMC-DN	14,909,770.83	14,901,941.66	0.48%
17,000,000.00	03/22/17	08/30/17	FHLMC-DN	16,935,376.39	16,931,981.11	0.55%
25,000,000.00	09/30/16	09/18/17	FHLMC-DN	24,852,916.67	24,831,250.00	0.80%
25,000,000.00	09/30/16	09/20/17	FHLMC-DN	24,852,083.33	24,829,750.00	0.80%
25,000,000.00	03/28/17	09/22/17	FHLMC-DN	24,893,694.44	24,928,611.11	0.80%
25,000,000.00	09/30/16	09/25/17	FHLMC-DN	24,850,000.00	24,826,250.00	0.80%
25,000,000.00	09/30/16	09/27/17	FHLMC-DN	24,849,166.67	24,824,750.00	0.80%
25,000,000.00	03/28/17	10/06/17	FHLMC-DN	24,884,000.00	24,873,208.33	0.80%
10,000,000.00	03/23/17	10/19/17	FHLMC-DN	9,947,500.00	9,943,450.00	0.32%
25,000,000.00	05/15/17	10/23/17	FHLMC-DN	24,888,194.44	24,885,555.55	0.80%
15,000,000.00	03/24/17	10/25/17	FHLMC-DN	14,919,375.00	14,912,850.00	0.48%
15,000,000.00	05/30/17	11/02/17	FHLMC-DN	14,935,000.00	14,932,633.33	0.48%
15,000,000.00	03/24/17	11/03/17	FHLMC-DN	14,914,133.33	14,907,533.33	0.48%
25,000,000.00	05/15/17	11/20/17	FHLMC-DN	24,866,125.00	24,863,416.67	0.80%
10,000,000.00	04/12/17	12/27/17	FHLMC-DN	9,930,933.33	9,923,833.33	0.32%
25,000,000.00	02/28/17	02/01/18	FHLMC-DN	24,809,875.00	24,762,875.00	0.80%
25,000,000.00	02/22/17	02/16/18	FHLMC-DN	24,798,062.50	24,747,500.00	0.80%
25,000,000.00	02/28/17	02/20/18	FHLMC-DN	24,791,750.00	24,745,083.33	0.80%
25,000,000.00	09/14/16	09/14/20	FHLMC-DN	25,000,000.00	24,403,000.00	0.79%
25,000,000.00	08/02/16	08/02/21	FHLMC-STP	25,000,000.00	24,489,000.00	0.79%
10,140,000.00	08/18/16	02/21/20	FHLMC-ZERO	10,140,000.00	10,021,564.80	0.32%
777,090,000.00	Total FHLMC			774,289,509.68	768,689,001.94	24.80%
25,000,000.00	03/28/17	03/28/18	FNMA-B	24,946,175.00	24,920,138.22	0.80%
20,000,000.00	02/02/17	08/02/19	FNMA-B	19,757,400.00	19,720,187.49	0.64%
25,000,000.00	02/28/17	02/28/20	FNMA-B	24,967,500.00	24,930,879.00	0.80%
10,000,000.00	10/30/15	10/26/18	FNMA-C	9,986,756.80	9,948,614.37	0.32%
10,000,000.00	10/29/15	10/29/18	FNMA-C	10,000,000.00	9,962,000.00	0.32%
10,000,000.00	10/30/15	10/29/19	FNMA-C	10,000,000.00	9,887,100.00	0.32%
15,000,000.00	11/29/16	11/29/19	FNMA-C	14,878,750.00	14,834,814.38	0.48%
15,000,000.00	11/29/16	11/29/19	FNMA-C	14,878,750.00	14,834,814.38	0.48%
25,000,000.00	07/27/16	07/27/21	FNMA-C	25,000,000.00	24,280,500.00	0.78%
25,000,000.00	09/15/16	09/15/21	FNMA-C	24,977,500.00	24,289,201.26	0.78%
25,000,000.00	09/30/16	09/30/21	FNMA-C	25,000,000.00	24,210,250.00	0.78%
25,000,000.00	10/12/16	10/12/21	FNMA-C	25,000,000.00	24,287,750.00	0.78%
20,000,000.00	07/19/16	07/03/17	FNMA-DN	19,887,544.44	19,888,511.11	0.64%
20,000,000.00	07/20/16	07/03/17	FNMA-DN	19,887,866.67	19,888,833.34	0.64%
25,000,000.00	11/08/16	11/08/19	FNMA-DN	24,996,875.00	24,781,082.19	0.80%
25,000,000.00	08/24/16	08/24/21	FNMA-DN	24,988,750.00	24,312,590.09	0.78%
25,000,000.00	09/30/16	09/30/21	FNMA-DN	24,988,300.00	24,417,000.77	0.79%
345,000,000.00	Total FNMA			344,142,167.91	339,394,266.60	10.95%
\$2,280,090,000.00	Total US Government Agency Obligations			\$2,274,131,507.13	\$2,259,852,085.46	72.89%

COUNTY OF SAN JOAQUIN
 TREASURER-TAX COLLECTOR INVESTMENT FUND
 SCHEDULE OF INVESTMENTS OWNED
 AS OF JUNE 30, 2017

Par Value	DATE		Description	Cost	Market Value	% of Total Investments at Market Value
	Settlement	Maturity				
<u>US TREASURY SECURITIES:</u>						
10,000,000.00	N/A	N/A	US T-BILL	9,951,666.67	9,950,477.78	0.32%
10,000,000.00	N/A	N/A	US T-BILL	9,948,433.33	9,947,683.33	0.32%
10,000,000.00	N/A	N/A	US T-BILL	9,930,208.33	9,916,841.66	0.32%
10,000,000.00	N/A	N/A	US T-BILL	9,921,644.44	9,911,388.89	0.32%
15,000,000.00	N/A	N/A	US T-BILL	14,880,416.67	14,865,033.34	0.48%
25,000,000.00	N/A	N/A	T-SLGS	24,775,450.00	24,748,852.78	0.80%
25,000,000.00	N/A	N/A	T-SLGS	24,723,075.00	24,698,718.47	0.80%
20,000,000.00	N/A	N/A	US T-BILL	19,778,166.67	19,763,011.11	0.64%
15,000,000.00	N/A	N/A	T-SLGS	14,758,935.00	14,722,478.97	0.47%
<u>\$140,000,000.00</u>	Total US Treasury Securities			<u>\$138,667,996.11</u>	<u>\$138,524,486.33</u>	<u>4.47%</u>
<u>MEDIUM TERM NOTES:</u>						
20,000,000.00	11/20/14	11/20/17	GECC	20,028,346.66	20,036,848.15	0.65%
10,000,000.00	12/06/16	12/06/18	MSFT	10,054,767.85	10,040,255.04	0.32%
<u>\$30,000,000.00</u>	Total Medium Term Notes			<u>\$30,083,114.51</u>	<u>\$30,077,103.19</u>	<u>0.97%</u>
<u>CALIFORNIA GENERAL OBLIGATION (GO) REFUNDING BONDS:</u>						
20,000,000.00	04/28/16	04/01/18	CA GO REF BND	19,994,200.00	19,906,868.85	0.64%
20,000,000.00	11/03/16	11/01/18	CA GO REF BND	20,000,000.00	19,863,800.00	0.64%
19,250,000.00	11/03/16	11/01/18	CA GO REF BND	19,245,668.75	19,117,485.56	0.62%
10,385,000.00	12/21/16	09/01/19	CA GO REF BND	10,327,882.50	10,345,562.12	0.33%
<u>\$69,635,000.00</u>	Total CA General Obligation Bonds			<u>\$69,567,751.25</u>	<u>\$69,233,716.53</u>	<u>2.23%</u>
<u>BANK ACCOUNTS:</u>						
50,000,000.00	N/A	N/A	BOW MMP	50,000,000.00	50,000,000.00	1.61%
89,261,130.36	N/A	N/A	BOW Sweep	89,261,130.36	89,261,130.36	2.88%
<u>\$139,261,130.36</u>	Total Bank Accounts			<u>\$139,261,130.36</u>	<u>\$139,261,130.36</u>	<u>4.49%</u>
<u>LOCAL AGENCY INVESTMENT FUND (LAIF):</u>						
<u>\$65,000,000.00</u>	N/A	N/A	LAIF	<u>\$65,000,000.00</u>	<u>65,000,000.00</u>	<u>2.10%</u>
<u>\$3,123,986,130.36</u>	TOTAL INVESTMENTS			<u>\$3,115,069,364.65</u>	<u>\$3,100,151,537.89</u>	<u>100.00%</u>
	Cash on Hand				35,193,430.17	
	Less: Net Deposits in Transit and Outstanding Warrants				<u>51,649,363.48</u>	
	Cash and Investments (Fair Value)				<u>\$3,083,695,634.58</u>	

**COUNTY OF SAN JOAQUIN
 TREASURER-TAX COLLECTOR INVESTMENT FUND
 SCHEDULE OF INVESTMENTS OWNED
 AS OF JUNE 30, 2017**

Abbreviation	Description
BOW	Bank of the West
BOW MMP	Bank of the West - Money Market Plus
FFCB	Federal Farm Credit Bank
FFCB-B	Federal Farm Credit Bank - Bullet Note
FFCB-DN	Federal Farm Credit Bank - Discount Note
FHLB	Federal Home Loan Bank
FHLB-DN	Federal Home Loan Bank - Discount Note
FHLMC	Federal Home Loan Mortgage Corporation
FHLMC-C	Federal Home Loan Mortgage Corporation - Callable/Coupon
FHLMC-DN	Federal Home Loan Mortgage Corporation - Discount Note
FHLMC-STP	Federal Home Loan Mortgage Corporation - Step Note
FNMA	Federal National Mortgage Association
FNMA-C	Federal National Mortgage Association-Callable/Coupon
FNMA-DN	Federal National Mortgage Association-Discount Note
GE CO.	General Electric Company
GECC	General Electric Capital Corporation
US T-BILL	U.S. Treasury Bill
T-SLGS	U.S. Treasury Strips (<u>S</u> eparate <u>T</u> rading of <u>R</u> egistered <u>I</u> nterest and <u>P</u> rincipal of <u>S</u> ecurities)

