

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR**

**POOLED INVESTMENT FUND**

**FINANCIAL STATEMENTS AND AUDIT REPORT**

**For the Fiscal Year Ended June 30, 2023**

**Jeffery M. Woltkamp, CPA  
Auditor-Controller  
County of San Joaquin**

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TREASURER-TAX COLLECTOR  
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For the Fiscal Year Ended June 30, 2023**

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JEFFERY M. WOLTKAMP, CPA  
**AUDITOR-CONTROLLER**  
SAN JOAQUIN COUNTY



ASSISTANT AUDITOR -CONTROLLER  
Tod Hill

CHIEF DEPUTIES  
Randipa Gauba -Accounting  
Janice McCutcheon, CPA -Internal Audit  
Lori Rolleri -Payroll  
Stanley Lawrence -Property Tax

February 7, 2024

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

**Report on the Audit of the Financial Statements**

***Opinion***

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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the San Joaquin County Treasurer-Tax Collector's Investment Fund as of June 30, 2023, and the respective changes in net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the San Joaquin County Treasurer-Tax Collector's Investment Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the San Joaquin County Treasurer-Tax Collector's Investment Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with *Generally Accepted Auditing Standards* (GAAS) and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the San Joaquin County Treasurer-Tax Collector's Investment Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the San Joaquin County Treasurer-Tax Collector's Investment Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and Combining Statements for the fiscal year ended 2023 (with comparative totals for the fiscal year ended June 30, 2022) on pages 5-8 and 28-29 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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 Combining Statements of Net Position and Changes in Net Position and Schedule of Investments Owned as of June 30, 2023 listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements of Net Position and Changes in Net Position and Schedule of Investments Owned as of June 30, 2023 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Management's Discussion and Analysis but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2024, on our consideration of the County Treasurer's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and agreements and other matters. The

purpose of that report is solely to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County Treasurer's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County Treasurer's internal control over financial reporting and compliance.

Respectfully submitted,



Jeffery M. Woltkamp, CPA  
Auditor-Controller  
County of San Joaquin

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## Management's Discussion and Analysis

The discussion and analysis of the financial performance of the Treasurer-Tax Collector's Investment Pool of the County of San Joaquin (County) provides an overview of the investment activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the Investment Pool'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 possible on the funds for the pool participants.

As the County's Treasury, 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 the quarter.

### Financial Highlights

- As of June 30, 2023, the Investment Pool had a net position of \$5.21 billion, a 0.58% increase from that of the prior year's \$5.18 billion.
- The net investment income, excluding changes in market appreciation in investments, was \$132.42 million, an increase of 641.02% from the prior year's \$17.87 million.
- The market value depreciation at year-end was \$(79.30) million, which was less by \$8.33 million than the \$(87.63) million depreciation of the prior year.
- The investment expense was approximately 0.67% of the gross investment income, versus 4.33% 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.

## Net Position

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 the Investment Pool’s financial health is improving or deteriorating. Other non-financial factors will also need to be considered. Those factors may include the goals of the Investment Pool, economic conditions of the market, the cash needs of the depositors, etc.

A summary of the Investment Pool’s net position is presented below:

### San Joaquin County Investment Pool CONDENSED STATEMENT OF NET POSITION (amounts expressed in thousands, except percentages)

|   | As of June 30,   |                  | Variance 2023 vs. 2022 |              |
|---|------------------|------------------|------------------------|--------------|
|   | 2023             | 2022             | Amount                 | Percentage   |
| <b>ASSETS</b>   |                  |                  |                        |              |
| Cash & Investments at Fair Value                        | \$5,168,368      | \$5,173,368      | \$(5,000)              | -0.10%       |
| Receivables   | 36,722           | 11,603           | 25,119                 | 216.49%      |
| <b>TOTAL ASSETS</b>                                     | <b>5,205,090</b> | <b>5,184,971</b> | <b>20,119</b>          | <b>0.39%</b> |
| <b>LIABILITIES</b>                                      |                  |                  |                        |              |
| Investment Expenses Payable                             | 0                | 0                | 0                      | 0%           |
| <b>TOTAL LIABILITIES</b>                                | <b>0</b>         | <b>0</b>         | <b>0</b>               | <b>0%</b>    |
| <b>NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS</b> | <b>5,205,090</b> | <b>5,184,971</b> | <b>20,119</b>          | <b>0.39%</b> |

## Changes in Net Position

The Statement of Changes in Net Position presents information on how the Investment Pool’s net position changed during fiscal year 2022-23. The increases include additions to investments, investment earnings and changes in fair value of investments. Unrealized gains or losses of securities are determined by taking the difference between amortized cost and the fair value of investments. The deductions consist of deductions from investment pool participant investments, distributions to the Investment Pool’s participants and administrative expenses.

All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, additions and deductions are reported in this statement for some items that will result in cash flows in future fiscal periods.



A summary of the changes in the Investment Pool's net position is presented below:

**San Joaquin County Investment Pool**  
**CONDENSED STATEMENT OF CHANGES IN NET POSITION**  
(amounts expressed in thousands, except percentages)

|  | For the Fiscal Year Ended<br>June 30, |                    | Variance 2023 vs. 2022 |                |
|--|---------------------------------------|--------------------|------------------------|----------------|
|  | 2023                                  | 2022               | Amount                 | Percentage     |
| <b>ADDITIONS</b>   |                                       |                    |                        |                |
| Additions to Pooled Investments                                      | \$13,323,403                          | \$14,055,995       | \$(732,592)            | -5.21%         |
| Net Investment Income  | 132,422                               | 17,870             | 114,552                | 641.03%        |
| Allocation of Changes in Market<br>Value Appreciation/(Depreciation) | 8,326                                 | (90,226)           | 98,552                 | -109.23%       |
| <b>TOTAL ADDITIONS</b>   | <b>13,464,151</b>                     | <b>13,983,639</b>  | <b>(519,488)</b>       | <b>-3.71%</b>  |
| <b>DEDUCTIONS</b>  |                                       |                    |                        |                |
| Deductions from Pooled Investments                                   | 13,311,610                            | 13,040,629         | 270,981                | 2.08%          |
| Investment Income Apportioned to<br>Pool Participants                | 132,422                               | 17,870             | 114,552                | 641.03%        |
| <b>TOTAL DEDUCTIONS</b>  | <b>13,444,032</b>                     | <b>13,058,499</b>  | <b>385,533</b>         | <b>2.95%</b>   |
| Changes in Net Position  | <b>20,119</b>                         | <b>925,140</b>     | <b>(905,021)</b>       | <b>-97.83%</b> |
| Net Position Beginning of Year                                       | <b>5,184,971</b>                      | <b>4,259,831</b>   | <b>925,140</b>         | <b>21.72%</b>  |
| <b>NET POSITION END OF YEAR</b>                                      | <b>\$5,205,090</b>                    | <b>\$5,184,971</b> | <b>\$20,119</b>        | <b>0.39%</b>   |

**Net Investment Income**

Net investment income increased by \$114.55 million from that of 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 increased by \$213.11 million from that of the prior year.

Changes in investment income and investments owned from the prior year are shown below (in thousands, except percentages):

|  | <u>FY 2022-23</u> | <u>FY 2021-22</u> | <u>INCREASE / (DECREASE)</u> |                   |
|--|-------------------|-------------------|------------------------------|-------------------|
|  |                   |                   | <u>Amount</u>                | <u>Percentage</u> |
| Investment income – <b>excluding</b><br>changes in market value<br>appreciation (depreciation) | \$ 132,423        | \$ 17,870         | \$ 114,553                   | 641.04%           |
| Investments owned at year-end<br>– <b>Book Value</b>   | \$ 5,317,675      | \$ 5,337,451      | \$ (19,776)                  | -0.37%            |
| Investment income – <b>including</b><br>changes in market value<br>appreciation (depreciation) | \$ 140,749        | \$ (72,356)       | \$ 213,105                   | 294.52%           |
| Investments owned at year-end<br>– <b>Fair Value</b>   | \$ 5,238,375      | \$ 5,249,825      | \$ (11,450)                  | -0.22%            |

### Investment Yield and Income Apportionment Factor

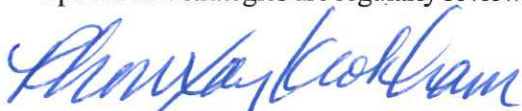
The goal of the County is to invest 100% of surplus funds. Surplus funds are defined as funds not required to meet daily obligations on the Treasury for the redemption of warrants or to cover other county disbursements. The Investment yield is different from the income apportionment factor. The investment yield is the return on our investments, while the income apportionment factor is the actual return on total funds held by the County.

|   | <u>FY 2022-23</u> | <u>FY 2021-22</u> |
|---|-------------------|-------------------|
| Investment yield – average                          | 2.41%             | 0.38%             |
| Income apportionment factor (ROR* on balance)       | 2.43%             | 0.39%             |
| Investment yield as a % of ROR* on invested balance | 99.31%            | 95.65%            |

\*Rate of Return

### Economic Factors and Next Year's Projection

The county was able to take advantage of the Federal Open Market Committee (FOMC) rate increases seen in fiscal year 2022-23 to improve the earnings for pool participants. However, it expected that during the fiscal year 2023-24, interest rates will begin to level off and decline. The Treasurer-Tax Collector's Office continues to emphasize safety and liquidity objectives. For the benefit of pool participants, investment options and strategies are regularly reviewed.



Phonxay Keokham, CPA  
Treasurer-Tax Collector  
County of San Joaquin

## **BASIC FINANCIAL STATEMENTS**

**COUNTY OF SAN JOAQUIN  
TREASURER–TAX COLLECTOR – POOLED INVESTMENT FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

|   | <b><u>Total Treasurer’s<br/>Investment Funds</u></b> |
|---|--|
| <b>ASSETS</b>   |  |
| Cash and Investments:                                   |  |
| Book value  | \$ 5,247,667,889                                     |
| Market value depreciation                               | <u>(79,300,223)</u>                                  |
| Cash & investments (Fair Value)                         | <u>5,168,367,666</u>                                 |
| Receivables:  |  |
| Investment income receivable                            | 36,722,307   |
| Investment income apportionment                         | <u>0</u>   |
| Total receivables                                       | <u>36,722,307</u>                                    |
| <br>TOTAL ASSETS  | <br><u>5,205,089,973</u>                             |
| <b>LIABILITIES</b>                                      |  |
| Investment expenses payable                             | <u>0</u>   |
| <br>TOTAL LIABILITIES                                   | <br><u>0</u>   |
| <br>NET POSITION HELD IN TRUST<br>FOR POOL PARTICIPANTS | <br><br><u>\$ 5,205,089,973</u>                      |

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

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

|   | <b><u>Total Treasurer's<br/>Investment Funds</u></b> |
|---|--|
| <b>ADDITIONS</b>  |  |
| Additions to funds managed by the Treasurer                       | \$ 13,323,403,022                                    |
| Net investment income   | 132,422,580  |
| Allocation of changes in market value appreciation/(depreciation) | <u>8,326,060</u>                                     |
| Total Additions   | <u>13,464,151,662</u>                                |
| <b>DEDUCTIONS</b>   |  |
| Deductions from funds managed by the Treasurer                    | 13,311,610,379                                       |
| Investment income apportioned to pool participants                | <u>132,422,581</u>                                   |
| Total Deductions  | <u>13,444,032,960</u>                                |
| <b>CHANGES IN NET POSITION</b>                                    | <u>20,118,702</u>                                    |
| <b>NET POSITION – BEGINNING OF YEAR</b>                           | <u>5,184,971,271</u>                                 |
| <b>NET POSITION – ENDING</b>                                      | <b><u>\$ 5,205,089,973</u></b>                       |

The accompanying notes are an integral part of the financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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 November 29, 2022 (Board Order B-22-627).

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 2022-23.

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 2022-23. The deposits, disbursements, and withdrawals include all outstanding deposits and payables at year-end.

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

d. Investment Pool Participants

The Investment Pool participants are classified into two major groups: (1) External - (Superior Court, Schools, Local Board Districts, and other fiduciary funds; and (2) Internal - 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.

e. Comparative Data

Comparative data for the prior year have been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the Treasurer's Pooled Investment Funds financial position and operations.

**NOTE 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 99.65% of the total funds deposited in the Treasury during the audited period, approximately the same as prior year's 99.63%. The remaining funds were held in the bank as a compensating balance requirement. The Treasurer generally holds all investments to maturity.



**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

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:

- United States Treasury Bills, Notes, and Bonds
- State Obligations and California Local Agency Bonds (Registered Treasury Notes, Bonds or Warrants)
- Obligations issued by A Federal Agency or a U.S. Government Sponsored Enterprise (GSE)
- Bankers’ Acceptances
- Commercial Paper
- Time Deposits
- Repurchase Agreements
- Medium Term Notes
- Mutual Funds
- Specific Securities Government Code §53601(m)
- Bank Deposits
- Joint Powers Authority Programs
- Supranationals
- Local Agency Investment Fund (LAIF)

The investment policy also places certain restrictions on the structure of the Treasurer's investment portfolio. For example: (a) banker’s acceptances are limited to 40% of the investment portfolio and no more than 30% may be invested in 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, 2022, and 2023 was 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> |
|----------|------------------------|---------------------------|--------------------------|---------------------------|
| 06/30/22 | 25%                    | 33%                       | 17%                      | 25%                       |
| 06/30/23 | 24%                    | 34%                       | 16%                      | 26%                       |

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, 2022, and 2023 were 329 and 338 days, respectively.

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CASH AND INVESTMENTS**

The investment pool includes both voluntary and involuntary participation from external entities. Interest earned on investments is credited to individual funds based on their average daily cash balances.

As of June 30, 2023, the County’s cash, deposits, and investments were as follows:

|                                      | <u>Investment Pool</u>  |
|--------------------------------------|-------------------------|
| Cash on hand                         | \$ 108,579              |
| Imprest cash                         | 334,845                 |
| Deposits with financial institutions | 21,140,485              |
| Outstanding warrants                 | (91,590,670)            |
| Investments                          | <u>5,238,374,427</u>    |
| Total                                | <u>\$ 5,168,367,666</u> |

Investment Pool

The County Treasurer’s Pool is not SEC-registered, but is invested in accordance with California State Government Code and the County Treasurer’s Investment Policy. The California statutes and the County’s investment policy authorize the County to invest in obligations of the U.S. Treasury, certain Federal agencies, Supranationals, bankers’ acceptances, “prime” commercial paper, certificates of deposit, swaps and trades, Registered California State Warrants or Bonds, State Treasurer’s Local Agency Investment Fund, California Asset Management Program, CalTrust, and repurchase agreements. All of the County Treasurer’s investments are of a mid-term and short-term nature. California State Government Code provides for the formation of an Investment Oversight Committee, which is charged with overseeing activity in the pool for compliance to policy and code requirements. To this end, the Oversight Committee annually reviews the County’s investment policy and causes an audit of investments to occur.

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

The table below identifies the investment types that are authorized by the County, along with the related concentration of credit limits:

| Investment Type                                     | Maximum Maturity |                | Maximum % of Portfolio |                | Maximum % with One Issuer |                | Minimum Rating |                       |
|---|------------------|----------------|------------------------|----------------|---------------------------|----------------|----------------|-----------------------|
|   | Gov. Code        | Invest. Policy | Gov. Code              | Invest. Policy | Gov. Code                 | Invest. Policy | Gov. Code      | Invest. Policy        |
| U.S. Treasury Obligations                           | 5 years          | 5 years        | None                   | 100%           | None                      | None           | None           | None                  |
| State Obligations and California Local Agency Bonds | 5 years          | 5 years        | None                   | 100%           | None                      | None           | None           | None                  |
| Agency Obligations                                  | 5 years          | 5 years        | None                   | 100%           | None                      | None           | None           | None                  |
| Bankers' Acceptances                                | 180 days         | Not Specified  | 40%                    | 40%            | 30%                       | Not Specified  | None           | None                  |
| Commercial Paper <sup>1</sup>                       | 270 days         | 270 days       | 40%                    | 30%            | 10%                       | Not Specified  | A-1/P-1        | See Note <sup>2</sup> |
| Time Deposits                                       | 5 years          | 1 year         | 30%                    | 30%            | None                      | None           | None           | See Note <sup>3</sup> |
| Repurchase Agreements <sup>4</sup>                  | 1 year           | Not Specified  | None                   | 100%           | None                      | None           | None           | A                     |
| Medium-Term Notes                                   | 5 years          | 3 years        | 30%                    | 30%            | 30%                       | 30%            | A              | See Note <sup>5</sup> |
| Money Market Mutual Funds <sup>6</sup>              | N/A              | N/A            | 20%                    | 20%            | 10%                       | Not Specified  | AAMM           | Not Specified         |
| Bank Deposits                                       | N/A              | N/A            | None                   | 10%            | None                      | None           | None           | None                  |
| Joint Powers Authority Programs <sup>7</sup>        | N/A              | N/A            | None                   | 30%            | None                      | None           | None           | None                  |
| Supranationals <sup>8</sup>                         | 5 years          | 5 years        | 30%                    | 10%            | None                      | None           | AA             | AA                    |
| Local Agency Investment Fund (LAIF) <sup>9</sup>    | N/A              | N/A            | None                   | LAIF limit     | None                      | None           | None           | None                  |

<sup>1</sup>Government Code Section 53635(a)(1-2) specifies percentage limitations for this security type for county investment pools.

<sup>2</sup>County's investment policy specifies Commercial Paper must have the highest categories of nationally recognized statistical rating organization (NRSRO).

<sup>3</sup>The bank must have a rating in the highest or second highest categories of an NRSRO.

<sup>4</sup>County's investment policy specifies regardless of maturity, repurchase agreements must be collateralized at 102 percent (market value plus accrued interest). Repurchase agreements shall only be made with dealers with assets in excess of \$500 million and having either the highest commercial paper rating, of A or higher rating for the issuer's debt, if any, as provided by a NRSRO. There is no percentage limit on the total dollar amount that may be invested in this category.

<sup>5</sup>County's investment policy specifies Corporate Debentures (Medium Term Notes) that have a rating in the highest or second highest categories of a NRSRO.

<sup>6</sup>Government Code Section 53601 (1)(3)(A) Money Market Mutual Fund ratings must be in the highest rating category by at least two NRSROs; or (B) Retained an investment adviser registered or exempt from registration with the United States Securities and Exchange Commission with not

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

less than five years' experience investing in the securities and obligations authorized by subdivisions (a) to (k), inclusive, and subdivisions (m) to (q), inclusive, and with assets under management in excess of five hundred million dollars (\$500,000,000).

<sup>7</sup>Government Code Section 53601(p) specifies the joint powers authority issuing the shares shall have retained an investment adviser that meets all of the following criteria:

- (1) The adviser is registered or exempt from registration with the United States Securities and Exchange Commission.
- (2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (q), inclusive.
- (3) The adviser has assets under management in excess of five hundred million dollars (\$500,000,000).

<sup>8</sup>The following institutions are considered Supranationals: International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC) and Inter-American Development Bank (IADB).

<sup>9</sup>Local Agency Investment Fund (LAIF) is an unrated fund. LAIF purchases securities under the authority of Government Code Section 16430 and 16480.4. The Treasurer may invest up to the maximum amount permitted by LAIF.

**Deposits**

At year-end, the carrying amount of the County's cash on hand and authorized deposits at the County's primary financial institution was \$39.3 million. Of the total deposits, the first \$250,000 is insured by the Federal Depository Insurance Corporation. The remaining 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 to it.

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.

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Investments

As of June 30, 2023, the County had the following pool investments:

|   | Fair Value<br>("FV")   | Wtd. Avg.<br>Maturities<br>(Days) | FV as a %<br>of the Pool<br>Investments | Credit<br>Rating<br>S&P/MIS* |
|---|------------------------|-----------------------------------|---|------------------------------|
| Commercial Paper                          | \$493,218,966          | 125                               | 9.40%                                   | A1/P1                        |
| Money Market Account - Bank of the West   | \$25,000,000           | 1                                 | 0.50%                                   | NR/NR                        |
| Sweep Account - Bank of the West          | \$12,183,232           | 1                                 | 0.20%                                   | NR/NR                        |
| Money Market Account - Five Star Bank     | \$75,000,000           | 1                                 | 1.40%                                   | NR/NR                        |
| Money Market Fund - State Street Bank     | \$25,000,000           | 1                                 | 0.50%                                   | AAAm/NR                      |
| Federal Farm Credit Bank                  | \$848,647,171          | 574                               | 16.20%                                  | AA+/Aaa                      |
| Federal Home Loan Bank                    | \$1,945,463,071        | 375                               | 37.20%                                  | AA+/Aaa                      |
| Federal Home Loan Mortgage Corporation    | \$499,360,645          | 689                               | 9.50%                                   | AA+/Aaa                      |
| Federal National Mortgage Association     | \$96,293,580           | 383                               | 1.80%                                   | AA+/Aaa                      |
| California Asset Management Program       | \$840,000,000          | 1                                 | 16.00%                                  | AAAm/NR                      |
| Medium Term Note - Apple                  | \$9,581,087            | 969                               | 0.20%                                   | AA+/Aaa                      |
| Supranationals                            | \$24,841,000           | 1823                              | 0.50%                                   | AAA/Aaa                      |
| CalTRUST                                  | \$20,000,000           | 1                                 | 0.40%                                   | AAAm/NR                      |
| US T-Bills                                | \$88,344,073           | 69                                | 1.70%                                   | AA+/Aaa                      |
| US T-Bonds                                | \$25,301,069           | 412                               | 0.50%                                   | AA+/Aaa                      |
| US T-Notes                                | \$200,140,532          | 136                               | 3.80%                                   | AA+/Aaa                      |
| CA GO Bonds                               | \$0                    | 0                                 | 0.00%                                   |                              |
| State Local Agency Investment Fund (LAIF) | \$10,000,000           | 1                                 | 0.20%                                   | NR/NR                        |
| <b>Total</b>                              | <b>\$5,238,374,426</b> | <b>338</b>                        | <b>100.00%</b>                          |                              |

N/A – Not Applicable

\* S&P - Standard and Poor's

NR – Not Rated

MIS - Moody's Investor Services

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, 2023, the weighted average maturity of the pool investments was 338 days.

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Investments (Continued)

*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), California Asset Management Program, (CAMP), medium-term notes, and repurchase agreements. Credit ratings of pool investments at June 30, 2023 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 certificates of deposit, and \$50,000,000 per issuer on commercial paper. 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<br>Investments |
|--|---------------|---------------------------|
| Commercial Paper                       | 493,218,966   | 9.4%                      |
| Federal Farm Credit Bank               | 848,647,171   | 16.2%                     |
| Federal Home Loan Bank                 | 1,945,463,071 | 37.2%                     |
| Federal Home Loan Mortgage Corporation | 499,360,645   | 9.5%                      |
| California Asset Management Program    | 840,000,000   | 16.0%                     |

The County is a participant in the Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. Each entity may invest up to \$75,000,000 per account without limitation in special bond proceeds amounts. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. The County invests money on a cost basis. The pool is not registered with the SEC. The County’s investments with LAIF at June 30, 2023 included a portion of the pool funds invested in structured notes and asset-backed securities, defined as follows:

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Investments (Continued)

*Structured Notes* – Debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amounts, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

*Asset-Backed Securities* – Generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, collateralized mortgage obligations) or credit card receivables.

*Custodial Credit Risk* - 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.

*Fair Value Measurements*

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means, such as matrix pricing.

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

Investments (Continued)

*Fair Value Measurements* (Continued)

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County’s own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the County’s own data.

The asset’s level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the County’s management. County management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to County management’s perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The County’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in governmental investment pools, such as LAIF, are made on the basis of \$1 and not fair value. Accordingly, the County’s proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the County to estimate the fair value of its investments. There have been no changes in the methods and assumptions used at June 30, 2022. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. County management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The County’s Investment Pool’s asset market prices are derived from closing bid prices as of the last business day of the month as supplied by Interactive Data, Bloomberg, or Telerate. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured



**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 3: CASH AND INVESTMENTS (CONTINUED)**

*Fair Value Measurements (Continued)*

bank certificates of deposit are priced at par.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

For investments classified with Level 2 of the fair value hierarchy, the County’s custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads, and benchmark securities, among others. The County does not have any investments that are measured using Level 3 Inputs.

The County has the following recurring fair value measurements as of June 30, 2023 (in thousands):

|  | Fair Value<br>at<br>June 30, 2023 | Fair Value Measurements Using  |   |  |
|--|-----------------------------------|--|---|--|
|  |                                   | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Investments by Fair Value Level</b>                                   |                                   |  |   |  |
| Commercial Paper   | \$ 493,219                        | \$ -   | \$ 493,219  | \$ -   |
| Federal Farm Credit Bank   | 895,217                           | -  | 895,217   | -  |
| Federal Home Loan Bank   | 1,887,976                         | -  | 1,887,976   | -  |
| Federal Home Loan Mortgage Corporation                                   | 509,909                           | -  | 509,909   | -  |
| Federal National Mortgage Association                                    | 96,663                            | -  | 96,663  | -  |
| Medium Term Note - Apple   | 9,581                             | -  | 9,581   | -  |
| Supranationals   | 24,841                            |  |   |  |
| US T-Bills   | 88,344                            | -  | 88,344  | -  |
| US T-Bonds   | 25,301                            | -  | 25,301  | -  |
| US T-Notes   | 200,141                           |  | 200,141   |  |
| Total investments by fair value level                                    | \$ 4,231,192                      | \$ -   | \$ 4,206,351  | \$ -   |
| <b>Investments not required to be leveled according to the hierarchy</b> |                                   |  |   |  |
| Money Market Account - Bank of the West                                  | 25,000                            |  |   |  |
| Sweep Account - Bank of the West   | 12,183                            |  |   |  |
| Money Market Account - Five Star Bank                                    | 75,000                            |  |   |  |
| Money Market Account - State Street Bank                                 | 25,000                            |  |   |  |
| California Asset Management Program (CAMP)                               | 840,000                           |  |   |  |
| State Local Agency Investment Fund (LAIF)                                | 10,000                            |  |   |  |
| CalTRUST   | 20,000                            |  |   |  |
| Total investments  | \$ 5,238,375                      |  |   |  |

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 4: 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 2022-23.

**NOTE 5: 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.

**NOTE 6: 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 method to

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 6: TEETER PLAN (CONTINUED)**

finance the buy-out on an annual basis.

Based on the Notes issued by 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 2022-23. Prior years’ notes and their interest are as follows:

| Teeter Plan FY | Date           | \$ Amount | \$ Interest | Maturity Date |
|----------------|----------------|-----------|-------------|---------------|
| 2013-2014      | No Note Needed |           |             |               |
| 2014-2015      | No Note Needed |           |             |               |
| 2015-2016      | No Note Needed |           |             |               |
| 2016-2017      | No Note Needed |           |             |               |
| 2017-2018      | No Note Needed |           |             |               |
| 2018-2019      | No Note Needed |           |             |               |
| 2019-2020      | No Note Needed |           |             |               |
| 2020-2021      | No Note Needed |           |             |               |
| 2021-2022      | No Note Needed |           |             |               |
| 2022-2023      | No Note Needed |           |             |               |

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**NOTE 7: 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.

**SUPPLEMENTARY INFORMATION**

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022)**

COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – INVESTMENT FUNDS  
STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|   | Pool Investment                                    |   |                             | Total Treasurer's<br>Investment Funds |                         |
|---|--|---|-----------------------------|---------------------------------------|-------------------------|
|   | External Funds<br>School/Court<br>Local Board Dist | Unapportioned<br>Interest<br>Earnings Trust | Internal<br>County<br>Funds | FY 2022-23                            | FY 2021-22              |
|   | <b>ASSETS</b>                                      |   |                             |                                       |                         |
| Cash and Investments:                                   |  |   |                             |                                       |                         |
| Book value  | \$ 3,297,047,893                                   | \$ 18,840,406                               | \$ 1,931,779,590            | <b>\$ 5,247,667,889</b>               | \$ 5,260,994,138        |
| Market value appreciation (depreciation)                | (49,824,985)                                       | (284,716)                                   | (29,190,522)                | <b>\$ (79,300,223)</b>                | (87,626,282)            |
| Cash & investments (Fair Value)                         | <u>3,247,222,908</u>                               | <u>18,555,690</u>                           | <u>1,902,589,068</u>        | <b>\$ 5,168,367,666</b>               | <u>5,173,367,856</u>    |
| Receivables:  |  |   |                             |                                       |                         |
| Investment income receivable                            | -  | 36,722,307                                  | -                           | <b>\$ 36,722,307</b>                  | 8,018,334               |
| Investment income apportionment receivable (payable)    | 27,535,535   | (50,183,236)                                | 22,647,701                  | <b>\$ -</b>                           | 3,585,081               |
| Total receivables                                       | <u>27,535,535</u>                                  | <u>(13,460,929)</u>                         | <u>22,647,701</u>           | <b>\$ 36,722,307</b>                  | <u>11,603,415</u>       |
| <b>TOTAL ASSETS</b>                                     | <u>3,274,758,443</u>                               | <u>5,094,761</u>                            | <u>1,925,236,769</u>        | <b>\$ 5,205,089,973</b>               | <u>5,184,971,271</u>    |
| <b>DEFERRED OUTFLOW OF RESOURCES</b>                    | <u>-</u>   | <u>-</u>                                    | <u>-</u>                    | <b>\$ -</b>                           | <u>-</u>                |
| <b>LIABILITIES</b>                                      |  |   |                             |                                       |                         |
| Investment expenses payable                             | -  | -   | -                           | <b>\$ -</b>                           | -                       |
| <b>TOTAL LIABILITIES</b>                                | <u>-</u>   | <u>-</u>                                    | <u>-</u>                    | <b>\$ -</b>                           | <u>-</u>                |
| <b>DEFERRED INFLOW OF RESOURCES</b>                     | <u>-</u>   | <u>-</u>                                    | <u>-</u>                    | <b>\$ -</b>                           | <u>-</u>                |
| <b>NET POSITION HELD IN TRUST FOR POOL PARTICIPANTS</b> | <u>\$ 3,274,758,443</u>                            | <u>\$ 5,094,761</u>                         | <u>\$ 1,925,236,769</u>     | <b>\$ 5,205,089,973</b>               | <u>\$ 5,184,971,271</u> |

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

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023  
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2022)**

COUNTY OF SAN JOAQUIN  
TREASURER - TAX COLLECTOR -- INVESTMENT FUNDS  
STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

|   | Pool Investment         |   |                         | Total Treasurer's<br>Investment Funds |                         |
|---|-------------------------|---|-------------------------|---------------------------------------|-------------------------|
|   | External<br>Funds       | Unapportioned<br>Interest<br>Earnings Trust | Internal<br>Funds       | FY 2022-23                            | FY 2021-22              |
|   |                         |   |                         |                                       |                         |
| <b>ADDITIONS</b>  |                         |   |                         |                                       |                         |
| Additions to funds managed by the Treasurer                       | \$ 7,754,802,643        | \$ 101,977,420                              | \$ 5,466,622,959        | <b>\$ 13,323,403,022</b>              | \$ 14,055,994,830       |
| Net investment income   | 69,959,359              | -   | 62,463,221              | <b>132,422,580</b>                    | 17,869,824              |
| Allocation of changes in market value appreciation/(depreciation) | (2,902,546)             | -   | 11,228,606              | <b>8,326,060</b>                      | (90,225,705)            |
| Total Additions   | <u>7,821,859,456</u>    | <u>101,977,420</u>                          | <u>5,540,314,786</u>    | <b><u>13,464,151,662</u></b>          | <u>13,983,638,949</u>   |
| <b>DEDUCTIONS</b>   |                         |   |                         |                                       |                         |
| Deductions from funds managed by the Treasurer                    | 7,250,784,010           | 103,917,848                                 | 5,956,908,521           | <b>13,311,610,379</b>                 | 13,040,628,862          |
| Investment income apportioned to pool participants                | 69,959,359              | -   | 62,463,222              | <b>132,422,581</b>                    | 17,869,824              |
| Total Deductions  | <u>7,320,743,369</u>    | <u>103,917,848</u>                          | <u>6,019,371,743</u>    | <b><u>13,444,032,960</u></b>          | <u>13,058,498,686</u>   |
| <b>CHANGES IN NET POSITION</b>                                    | <u>501,116,087</u>      | <u>(1,940,428)</u>                          | <u>(479,056,958)</u>    | <b><u>20,118,702</u></b>              | <u>925,140,263</u>      |
| <b>NET POSITION - BEGINNING:</b>                                  |                         |   |                         |                                       |                         |
| Reserved for unrealized market value appreciation (depreciation)  | (46,922,439)            | -   | (40,703,843)            | <b>(87,626,282)</b>                   | 2,598,678               |
| Unrestricted  | 2,820,564,795           | 7,035,189                                   | 2,444,997,569           | <b>5,272,597,553</b>                  | 4,257,232,330           |
| <b>NET POSITION - BEGINNING OF YEAR</b>                           | <u>2,773,642,356</u>    | <u>7,035,189</u>                            | <u>2,404,293,726</u>    | <b><u>5,184,971,271</u></b>           | <u>4,259,831,008</u>    |
| <b>NET POSITION - ENDING:</b>                                     |                         |   |                         |                                       |                         |
| Reserved for unrealized market value appreciation (depreciation)  | (49,824,984)            | -   | (29,475,239)            | <b>(79,300,223)</b>                   | (87,626,282)            |
| Unreserved  | 3,324,583,427           | 5,094,761                                   | 1,954,712,008           | <b>5,284,390,196</b>                  | 5,272,597,553           |
| <b>NET POSITION - ENDING</b>                                      | <u>\$ 3,274,758,443</u> | <u>\$ 5,094,761</u>                         | <u>\$ 1,925,236,769</u> | <b><u>\$ 5,205,089,973</u></b>        | <u>\$ 5,184,971,271</u> |

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

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENTS OWNED  
JUNE 30, 2023**

| Par Value                | DATE       |          | Description          | Cost                     | Fair Value               | % of Total<br>Investments<br>at<br>Fair Value |
|--------------------------|------------|----------|----------------------|--------------------------|--------------------------|---|
|                          | Settlement | Maturity |                      |                          |                          |   |
| <b>COMMERCIAL PAPER:</b> |            |          |                      |                          |                          |   |
| 25,000,000.00            | 10/18/22   | 07/14/23 | SUMITOMO MITSUI      | 24,129,486.11            | 24,069,791.67            | 0.46%   |
| 30,000,000.00            | 03/16/23   | 07/17/23 | JOHNSON & JOHNSON    | 29,508,000.00            | 29,502,758.30            | 0.57%   |
| 25,000,000.00            | 10/24/22   | 07/18/23 | MUFG BANK            | 24,045,104.17            | 24,045,479.17            | 0.46%   |
| 25,000,000.00            | 10/28/22   | 07/24/23 | CREDIT AGRICOLE      | 24,054,763.89            | 24,053,763.97            | 0.46%   |
| 25,000,000.00            | 11/03/22   | 07/28/23 | TOYOTA               | 24,061,791.67            | 24,059,652.81            | 0.46%   |
| 20,000,000.00            | 05/17/23   | 08/31/23 | WALMART              | 19,702,022.22            | 19,692,859.91            | 0.38%   |
| 30,000,000.00            | 05/18/23   | 08/31/23 | WALMART              | 29,559,000.00            | 29,544,223.20            | 0.57%   |
| 35,000,000.00            | 12/30/22   | 09/08/23 | NATIXIS              | 33,750,500.00            | 33,734,393.58            | 0.65%   |
| 10,000,000.00            | 03/01/23   | 09/12/23 | METLIFE              | 9,727,000.00             | 9,720,381.10             | 0.19%   |
| 15,000,000.00            | 12/30/22   | 09/22/23 | NATIXIS              | 14,429,208.33            | 14,420,388.28            | 0.28%   |
| 20,000,000.00            | 02/22/23   | 09/28/23 | JOHNSON & JOHNSON    | 19,410,188.89            | 19,383,188.89            | 0.37%   |
| 25,000,000.00            | 06/20/23   | 10/27/23 | SUMITOMO MITSUI      | 24,520,729.17            | 24,467,988.97            | 0.47%   |
| 15,000,000.00            | 05/19/23   | 11/06/23 | PROCTER & GAMBLE     | 14,639,475.00            | 14,615,395.00            | 0.28%   |
| 25,000,000.00            | 02/23/23   | 11/20/23 | LLOYDS BANK          | 24,021,138.89            | 23,982,740.75            | 0.46%   |
| 10,000,000.00            | 06/13/23   | 12/22/23 | TOYOTA               | 9,721,066.67             | 9,703,890.78             | 0.19%   |
| 50,000,000.00            | 06/30/23   | 12/27/23 | RABOBANK             | 48,650,000.00            | 48,650,000.00            | 0.93%   |
| 50,000,000.00            | 06/16/23   | 03/11/24 | BNP PARIBAS          | 47,960,083.33            | 47,813,104.33            | 0.92%   |
| 50,000,000.00            | 06/28/23   | 03/22/24 | ROYAL BANK OF CANADA | 47,937,888.89            | 47,864,681.61            | 0.92%   |
| 25,000,000.00            | 06/29/23   | 03/25/24 | CREDIT AGRICOLE      | 23,953,750.00            | 23,894,283.50            | 0.46%   |
| <b>\$ 510,000,000.00</b> |            |          |                      | <b>\$ 493,781,197.23</b> | <b>\$ 493,218,965.83</b> | <b>9.46%</b>                                  |

**U.S. GOVERNMENT AGENCY OBLIGATIONS:**

|               |          |          |        |               |               |       |
|---------------|----------|----------|--------|---------------|---------------|-------|
| 25,000,000.00 | 08/18/22 | 08/18/23 | FFCB-B | 24,680,555.56 | 24,695,444.45 | 0.47% |
| 25,000,000.00 | 03/22/21 | 09/22/23 | FFCB-B | 25,000,000.00 | 24,694,750.00 | 0.47% |
| 25,000,000.00 | 09/25/19 | 09/25/23 | FFCB-B | 25,000,000.00 | 24,786,000.00 | 0.47% |
| 25,000,000.00 | 11/01/19 | 11/01/23 | FFCB-B | 24,952,500.00 | 24,635,281.49 | 0.47% |
| 25,000,000.00 | 11/03/22 | 11/03/23 | FFCB-B | 24,993,750.00 | 24,539,285.14 | 0.47% |
| 20,000,000.00 | 07/01/19 | 07/01/24 | FFCB-B | 20,036,620.00 | 19,334,063.93 | 0.37% |
| 25,000,000.00 | 12/20/22 | 12/20/24 | FFCB-B | 24,921,750.00 | 24,600,697.33 | 0.47% |
| 25,000,000.00 | 12/29/22 | 12/29/25 | FFCB-B | 24,944,050.00 | 24,556,407.98 | 0.47% |
| 20,000,000.00 | 12/09/21 | 12/09/26 | FFCB-B | 19,998,000.00 | 17,919,977.88 | 0.34% |
| 25,000,000.00 | 10/26/22 | 07/26/23 | FFCB-C | 25,000,000.00 | 24,987,500.00 | 0.48% |
| 25,000,000.00 | 02/10/21 | 08/10/23 | FFCB-C | 25,000,000.00 | 24,849,000.00 | 0.47% |
| 25,000,000.00 | 08/24/20 | 08/24/23 | FFCB-C | 24,248,468.63 | 24,236,595.01 | 0.46% |
| 25,000,000.00 | 12/22/20 | 09/23/23 | FFCB-C | 25,000,000.00 | 24,713,250.00 | 0.47% |
| 25,000,000.00 | 04/12/21 | 10/12/23 | FFCB-C | 24,996,250.00 | 24,623,927.16 | 0.47% |
| 25,000,000.00 | 02/03/21 | 11/03/23 | FFCB-C | 25,000,000.00 | 24,933,000.00 | 0.48% |
| 25,000,000.00 | 02/03/21 | 11/03/23 | FFCB-C | 25,000,000.00 | 24,544,750.00 | 0.47% |
| 25,000,000.00 | 11/30/20 | 11/30/23 | FFCB-C | 25,000,000.00 | 24,463,000.00 | 0.47% |



**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENTS OWNED  
JUNE 30, 2023**

| Par Value                          | DATE       |          | Description | Cost                    | Fair Value              | % of Total<br>Investments<br>at<br>Fair Value |
|------------------------------------|------------|----------|-------------|-------------------------|-------------------------|---|
|                                    | Settlement | Maturity |             |                         |                         |   |
| 20,000,000.00                      | 06/22/22   | 12/22/23 | FFCB-C      | 20,000,000.00           | 19,802,800.00           | 0.38%   |
| 25,000,000.00                      | 12/28/20   | 12/28/23 | FFCB-C      | 25,000,000.00           | 24,352,250.00           | 0.46%   |
| 15,000,000.00                      | 03/15/21   | 03/15/24 | FFCB-C      | 15,000,000.00           | 14,457,600.00           | 0.28%   |
| 25,000,000.00                      | 04/05/21   | 04/05/24 | FFCB-C      | 25,000,000.00           | 24,022,500.00           | 0.46%   |
| 25,000,000.00                      | 04/08/20   | 04/08/24 | FFCB-C      | 25,000,000.00           | 24,076,500.00           | 0.46%   |
| 25,000,000.00                      | 02/23/21   | 08/23/24 | FFCB-C      | 25,000,000.00           | 23,553,500.00           | 0.45%   |
| 25,000,000.00                      | 09/19/22   | 09/19/24 | FFCB-C      | 25,000,000.00           | 24,624,500.00           | 0.47%   |
| 25,000,000.00                      | 12/05/22   | 12/05/24 | FFCB-C      | 24,997,500.00           | 24,745,292.07           | 0.47%   |
| 25,000,000.00                      | 12/23/20   | 12/23/24 | FFCB-C      | 25,000,000.00           | 23,213,000.00           | 0.44%   |
| 25,000,000.00                      | 12/10/20   | 03/10/25 | FFCB-C      | 25,000,000.00           | 23,108,000.00           | 0.44%   |
| 25,000,000.00                      | 03/17/21   | 03/17/25 | FFCB-C      | 25,000,000.00           | 23,175,750.00           | 0.44%   |
| 20,000,000.00                      | 12/11/20   | 04/07/25 | FFCB-C      | 20,000,000.00           | 18,419,000.00           | 0.35%   |
| 25,000,000.00                      | 10/12/22   | 01/12/26 | FFCB-C      | 25,000,000.00           | 24,668,000.00           | 0.47%   |
| 25,000,000.00                      | 06/01/23   | 06/01/26 | FFCB-C      | 24,975,000.00           | 24,896,338.50           | 0.48%   |
| 25,000,000.00                      | 06/22/22   | 06/22/26 | FFCB-C      | 25,000,000.00           | 24,417,500.00           | 0.47%   |
| 25,000,000.00                      | 10/19/22   | 10/19/26 | FFCB-C      | 25,000,000.00           | 24,751,500.00           | 0.47%   |
| 25,000,000.00                      | 12/30/21   | 12/30/26 | FFCB-C      | 25,000,000.00           | 22,559,500.00           | 0.43%   |
| 25,000,000.00                      | 12/20/22   | 12/20/27 | FFCB-C      | 25,000,000.00           | 24,766,000.00           | 0.47%   |
| 25,000,000.00                      | 12/20/22   | 12/20/27 | FFCB-C      | 25,000,000.00           | 24,717,000.00           | 0.47%   |
| 25,000,000.00                      | 06/09/23   | 06/09/28 | FFCB-C      | 25,000,000.00           | 24,777,750.00           | 0.47%   |
| 25,000,000.00                      | 06/30/23   | 06/30/28 | FFCB-C      | 25,000,000.00           | 25,000,000.00           | 0.48%   |
| <b>\$920,000,000.00 Total FFCB</b> |            |          |             | <b>\$918,744,444.19</b> | <b>\$895,217,210.94</b> | <b>17.09%</b>                                 |
| 25,000,000.00                      | 06/22/22   | 09/08/23 | FHLB-B      | 25,109,900.00           | 24,996,034.31           | 0.48%   |
| 25,000,000.00                      | 11/02/22   | 11/02/23 | FHLB-B      | 25,000,000.00           | 24,936,750.00           | 0.48%   |
| 25,000,000.00                      | 11/30/22   | 11/30/23 | FHLB-B      | 24,998,350.00           | 24,941,291.64           | 0.48%   |
| 25,000,000.00                      | 11/07/22   | 12/06/23 | FHLB-B      | 25,016,400.00           | 24,963,531.73           | 0.48%   |
| 25,000,000.00                      | 09/08/22   | 12/08/23 | FHLB-B      | 25,000,000.00           | 24,814,250.00           | 0.47%   |
| 25,000,000.00                      | 12/14/23   | 12/14/23 | FHLB-B      | 25,035,250.00           | 24,959,371.92           | 0.48%   |
| 25,000,000.00                      | 12/15/22   | 12/19/23 | FHLB-B      | 24,990,700.00           | 24,921,082.47           | 0.48%   |
| 25,000,000.00                      | 12/21/22   | 12/21/23 | FHLB-B      | 24,997,500.00           | 24,899,191.78           | 0.48%   |
| 10,000,000.00                      | 12/16/22   | 01/16/24 | FHLB-B      | 10,000,000.00           | 9,970,600.00            | 0.19%   |
| 25,000,000.00                      | 12/20/22   | 03/08/24 | FHLB-B      | 25,000,000.00           | 24,120,750.00           | 0.46%   |
| 20,000,000.00                      | 06/14/19   | 06/14/24 | FHLB-B      | 20,906,400.00           | 20,246,560.15           | 0.39%   |
| 25,000,000.00                      | 06/14/22   | 08/14/23 | FHLB-C      | 25,000,000.00           | 24,912,000.00           | 0.48%   |
| 25,000,000.00                      | 09/27/22   | 09/27/23 | FHLB-C      | 25,000,000.00           | 24,893,750.00           | 0.48%   |
| 25,000,000.00                      | 12/29/21   | 09/29/23 | FHLB-C      | 25,000,000.00           | 24,711,500.00           | 0.47%   |
| 25,000,000.00                      | 04/24/23   | 10/23/23 | FHLB-C      | 25,000,000.00           | 24,957,250.00           | 0.48%   |
| 25,000,000.00                      | 10/26/22   | 10/26/23 | FHLB-C      | 25,000,000.00           | 24,922,250.00           | 0.48%   |
| 25,000,000.00                      | 10/19/22   | 11/17/23 | FHLB-C      | 24,999,400.00           | 24,911,363.20           | 0.48%   |
| 25,000,000.00                      | 12/22/22   | 11/22/23 | FHLB-C      | 25,000,000.00           | 24,922,250.00           | 0.48%   |
| 25,000,000.00                      | 11/27/20   | 11/27/23 | FHLB-C      | 25,000,000.00           | 24,472,500.00           | 0.47%   |

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENTS OWNED  
JUNE 30, 2023**

| Par Value     | DATE       |          | Description | Cost          | Fair Value    | % of Total<br>Investments<br>at<br>Fair Value |
|---------------|------------|----------|-------------|---------------|---------------|---|
|               | Settlement | Maturity |             |               |               |   |
| 25,000,000.00 | 08/30/22   | 11/28/23 | FHLB-C      | 25,000,000.00 | 24,789,000.00 | 0.48%   |
| 25,000,000.00 | 12/22/20   | 12/22/23 | FHLB-C      | 24,968,750.00 | 24,343,994.29 | 0.47%   |
| 25,000,000.00 | 12/22/20   | 12/22/23 | FHLB-C      | 24,975,500.00 | 24,349,665.53 | 0.47%   |
| 25,000,000.00 | 06/29/22   | 12/29/23 | FHLB-C      | 25,000,000.00 | 24,359,750.00 | 0.47%   |
| 25,000,000.00 | 04/17/23   | 01/17/24 | FHLB-C      | 25,000,000.00 | 24,886,500.00 | 0.48%   |
| 25,000,000.00 | 04/23/21   | 01/23/24 | FHLB-C      | 25,000,000.00 | 24,269,500.00 | 0.47%   |
| 25,000,000.00 | 03/30/23   | 01/30/24 | FHLB-C      | 25,000,000.00 | 24,911,000.00 | 0.48%   |
| 25,000,000.00 | 03/07/23   | 02/07/24 | FHLB-C      | 25,000,000.00 | 24,932,750.00 | 0.48%   |
| 25,000,000.00 | 05/13/21   | 02/13/24 | FHLB-C      | 25,000,000.00 | 24,203,250.00 | 0.46%   |
| 25,000,000.00 | 09/08/20   | 03/08/24 | FHLB-C      | 25,007,150.00 | 24,880,841.89 | 0.48%   |
| 25,000,000.00 | 12/28/20   | 03/28/24 | FHLB-C      | 25,000,000.00 | 24,034,500.00 | 0.46%   |
| 25,000,000.00 | 05/03/21   | 05/03/24 | FHLB-C      | 25,000,000.00 | 23,940,750.00 | 0.46%   |
| 25,000,000.00 | 02/24/21   | 05/24/24 | FHLB-C      | 25,000,000.00 | 23,795,750.00 | 0.46%   |
| 20,000,000.00 | 03/30/21   | 05/30/24 | FHLB-C      | 20,000,000.00 | 19,059,000.00 | 0.37%   |
| 25,000,000.00 | 12/27/22   | 06/27/24 | FHLB-C      | 25,000,000.00 | 24,856,000.00 | 0.48%   |
| 25,000,000.00 | 06/28/22   | 06/28/24 | FHLB-C      | 25,000,000.00 | 24,445,000.00 | 0.47%   |
| 25,000,000.00 | 06/06/23   | 07/03/24 | FHLB-C      | 25,000,000.00 | 24,973,000.00 | 0.48%   |
| 25,000,000.00 | 07/19/22   | 07/19/24 | FHLB-C      | 25,000,000.00 | 24,519,500.00 | 0.47%   |
| 25,000,000.00 | 04/22/21   | 07/22/24 | FHLB-C      | 25,000,000.00 | 23,657,000.00 | 0.45%   |
| 25,000,000.00 | 05/06/21   | 08/06/24 | FHLB-C      | 25,000,000.00 | 23,664,500.00 | 0.45%   |
| 25,000,000.00 | 02/26/21   | 08/26/24 | FHLB-C      | 25,000,000.00 | 23,490,000.00 | 0.45%   |
| 25,000,000.00 | 09/13/22   | 08/28/24 | FHLB-C      | 25,000,000.00 | 24,558,500.00 | 0.47%   |
| 25,000,000.00 | 12/30/21   | 09/30/24 | FHLB-C      | 25,000,000.00 | 23,682,500.00 | 0.45%   |
| 25,000,000.00 | 03/30/21   | 09/30/24 | FHLB-C      | 25,000,000.00 | 23,507,250.00 | 0.45%   |
| 25,000,000.00 | 10/25/22   | 10/25/24 | FHLB-C      | 25,000,000.00 | 24,758,250.00 | 0.47%   |
| 25,000,000.00 | 03/29/21   | 11/29/24 | FHLB-C      | 25,000,000.00 | 23,373,750.00 | 0.45%   |
| 25,000,000.00 | 06/30/23   | 12/27/24 | FHLB-C      | 25,000,000.00 | 25,000,000.00 | 0.48%   |
| 25,000,000.00 | 07/22/22   | 01/22/25 | FHLB-C      | 25,000,000.00 | 24,463,500.00 | 0.47%   |
| 20,000,000.00 | 02/03/20   | 02/03/25 | FHLB-C      | 20,000,000.00 | 18,879,600.00 | 0.36%   |
| 25,000,000.00 | 03/30/21   | 06/30/25 | FHLB-C      | 25,000,000.00 | 22,869,250.00 | 0.44%   |
| 25,000,000.00 | 12/15/21   | 09/15/25 | FHLB-C      | 25,000,000.00 | 23,131,500.00 | 0.44%   |
| 15,000,000.00 | 06/26/23   | 06/26/26 | FHLB-C      | 15,000,000.00 | 15,000,000.00 | 0.29%   |
| 25,000,000.00 | 11/03/22   | 11/03/26 | FHLB-C      | 25,000,000.00 | 24,762,250.00 | 0.47%   |
| 25,000,000.00 | 01/14/22   | 01/14/27 | FHLB-C      | 25,000,000.00 | 22,532,750.00 | 0.43%   |
| 25,000,000.00 | 04/21/22   | 04/21/27 | FHLB-C      | 25,000,000.00 | 23,698,500.00 | 0.45%   |
| 25,000,000.00 | 06/09/22   | 06/09/27 | FHLB-C      | 25,000,000.00 | 23,887,000.00 | 0.46%   |
| 25,000,000.00 | 07/26/22   | 07/26/27 | FHLB-C      | 25,000,000.00 | 24,396,250.00 | 0.47%   |
| 25,000,000.00 | 02/28/23   | 02/28/28 | FHLB-C      | 25,000,000.00 | 24,646,250.00 | 0.47%   |
| 9,273,318.87  | 03/16/23   | 03/16/28 | FHLB-C      | 9,273,318.87  | 9,276,379.07  | 0.18%   |
| 25,000,000.00 | 04/24/23   | 04/24/28 | FHLB-C      | 25,000,000.00 | 24,715,500.00 | 0.47%   |
| 25,000,000.00 | 12/16/22   | 07/05/23 | FHLB-DN     | 24,367,687.50 | 24,366,402.77 | 0.47%   |
| 25,000,000.00 | 12/28/22   | 07/31/23 | FHLB-DN     | 24,307,222.22 | 24,313,361.11 | 0.47%   |
| 25,000,000.00 | 04/11/23   | 08/08/23 | FHLB-DN     | 24,604,986.11 | 24,612,694.44 | 0.47%   |
| 25,000,000.00 | 12/13/22   | 08/17/23 | FHLB-DN     | 24,216,118.06 | 24,216,451.39 | 0.46%   |
| 25,000,000.00 | 05/18/23   | 08/18/23 | FHLB-DN     | 25,000,000.00 | 24,921,500.00 | 0.48%   |

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENTS OWNED  
JUNE 30, 2023**

| Par Value                 | DATE               |          | Description | Cost                      | Fair Value                | % of Total                      |
|---------------------------|--------------------|----------|-------------|---------------------------|---------------------------|---------------------------------|
|                           | Settlement         | Maturity |             |                           |                           | Investments<br>at<br>Fair Value |
| 20,000,000.00             | 05/30/23           | 08/22/23 | FHLB-DN     | 19,758,266.67             | 19,775,788.89             | 0.38%                           |
| 25,000,000.00             | 02/27/23           | 08/25/23 | FHLB-DN     | 24,385,930.56             | 24,399,041.67             | 0.47%                           |
| 25,000,000.00             | 12/16/22           | 09/05/23 | FHLB-DN     | 24,161,687.50             | 24,152,500.00             | 0.46%                           |
| 25,000,000.00             | 12/15/22           | 09/12/23 | FHLB-DN     | 24,145,597.22             | 24,136,652.78             | 0.46%                           |
| 25,000,000.00             | 09/27/22           | 09/19/23 | FHLB-DN     | 24,000,895.83             | 23,961,583.33             | 0.46%                           |
| 25,000,000.00             | 03/15/23           | 09/19/23 | FHLB-DN     | 24,348,527.78             | 24,363,215.28             | 0.47%                           |
| 25,000,000.00             | 12/23/22           | 10/03/23 | FHLB-DN     | 24,094,750.00             | 24,082,062.50             | 0.46%                           |
| 25,000,000.00             | 12/23/22           | 10/10/23 | FHLB-DN     | 24,072,437.50             | 24,058,312.50             | 0.46%                           |
| 25,000,000.00             | 02/28/23           | 10/27/23 | FHLB-DN     | 24,176,583.33             | 24,186,166.66             | 0.46%                           |
| 25,000,000.00             | 12/28/22           | 10/31/23 | FHLB-DN     | 24,010,777.78             | 23,996,361.11             | 0.46%                           |
| 25,000,000.00             | 06/02/23           | 12/08/23 | FHLB-DN     | 24,322,750.00             | 24,351,166.67             | 0.47%                           |
| 25,000,000.00             | 03/14/23           | 12/15/23 | FHLB-DN     | 24,060,833.33             | 24,060,000.00             | 0.46%                           |
| 25,000,000.00             | 12/28/22           | 12/26/23 | FHLB-DN     | 23,830,333.33             | 23,796,861.11             | 0.46%                           |
| 25,000,000.00             | 02/27/23           | 02/09/24 | FHLB-DN     | 23,801,163.19             | 23,802,052.08             | 0.46%                           |
| 25,000,000.00             | 02/28/23           | 02/28/24 | FHLB-DN     | 23,727,569.44             | 23,752,194.44             | 0.46%                           |
| 25,000,000.00             | 04/28/21           | 04/28/26 | FHLB-STP    | 25,000,000.00             | 22,699,000.00             | 0.44%                           |
| <b>\$1,939,273,318.87</b> | <b>Total FHLB</b>  |          |             | <b>\$1,924,672,736.22</b> | <b>\$1,887,975,876.71</b> | <b>36.21%</b>                   |
| 25,000,000.00             | 12/14/22           | 08/24/23 | FHLMC-B     | 25,000,000.00             | 24,804,500.00             | 0.48%                           |
| 25,000,000.00             | 11/04/20           | 08/04/23 | FHLMC-C     | 25,000,000.00             | 24,886,500.00             | 0.48%                           |
| 25,000,000.00             | 12/15/20           | 09/15/23 | FHLMC-C     | 25,000,000.00             | 24,737,500.00             | 0.47%                           |
| 25,000,000.00             | 12/29/20           | 09/29/23 | FHLMC-C     | 25,000,000.00             | 24,686,500.00             | 0.47%                           |
| 25,000,000.00             | 11/24/20           | 11/24/23 | FHLMC-C     | 25,000,000.00             | 24,508,500.00             | 0.47%                           |
| 25,000,000.00             | 11/25/20           | 05/15/24 | FHLMC-C     | 25,000,000.00             | 23,908,500.00             | 0.46%                           |
| 25,000,000.00             | 12/09/20           | 05/15/24 | FHLMC-C     | 25,000,000.00             | 23,908,500.00             | 0.46%                           |
| 25,000,000.00             | 11/17/22           | 05/17/24 | FHLMC-C     | 25,000,000.00             | 24,867,750.00             | 0.48%                           |
| 25,000,000.00             | 09/10/20           | 06/10/24 | FHLMC-C     | 25,000,000.00             | 23,818,500.00             | 0.46%                           |
| 25,000,000.00             | 06/14/22           | 06/14/24 | FHLMC-C     | 25,000,000.00             | 24,344,250.00             | 0.47%                           |
| 25,000,000.00             | 09/13/22           | 09/13/24 | FHLMC-C     | 25,000,000.00             | 24,471,000.00             | 0.47%                           |
| 25,000,000.00             | 12/30/22           | 09/30/24 | FHLMC-C     | 25,000,000.00             | 24,773,000.00             | 0.48%                           |
| 20,000,000.00             | 12/30/20           | 12/30/24 | FHLMC-C     | 20,000,000.00             | 18,558,800.00             | 0.36%                           |
| 25,000,000.00             | 11/23/22           | 11/24/25 | FHLMC-C     | 25,000,000.00             | 24,784,750.00             | 0.48%                           |
| 25,000,000.00             | 03/20/23           | 03/20/26 | FHLMC-C     | 25,000,000.00             | 24,858,250.00             | 0.48%                           |
| 25,000,000.00             | 06/30/23           | 06/26/26 | FHLMC-C     | 25,000,000.00             | 24,980,250.00             | 0.48%                           |
| 25,000,000.00             | 07/14/22           | 07/14/27 | FHLMC-C     | 25,000,000.00             | 24,307,750.00             | 0.47%                           |
| 25,000,000.00             | 09/30/22           | 09/30/27 | FHLMC-C     | 25,000,000.00             | 24,487,500.00             | 0.47%                           |
| 25,000,000.00             | 12/01/22           | 12/01/27 | FHLMC-C     | 25,000,000.00             | 24,840,250.00             | 0.48%                           |
| 25,000,000.00             | 12/30/22           | 12/30/27 | FHLMC-C     | 25,000,000.00             | 24,376,250.00             | 0.47%                           |
| 25,000,000.00             | 06/30/23           | 06/28/28 | FHLMC-C     | 25,000,000.00             | 25,000,000.00             | 0.48%                           |
| <b>\$520,000,000.00</b>   | <b>Total FHLMC</b> |          |             | <b>\$520,000,000.00</b>   | <b>\$509,908,800.00</b>   | <b>9.78%</b>                    |

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENTS OWNED  
JUNE 30, 2023**

| Par Value  | DATE       |          | Description | Cost                      | Fair Value                | % of Total<br>Investments<br>at<br>Fair Value |
|--|------------|----------|-------------|---------------------------|---------------------------|---|
|  | Settlement | Maturity |             |                           |                           |   |
| 25,000,000.00  | 12/07/20   | 12/07/23 | FNMA-C      | 25,000,000.00             | 24,436,500.00             | 0.47%   |
| 25,000,000.00  | 12/29/20   | 12/29/23 | FNMA-C      | 25,000,000.00             | 24,728,750.00             | 0.47%   |
| 15,000,000.00  | 04/13/23   | 04/12/24 | FNMA-C      | 15,000,000.00             | 14,914,050.00             | 0.29%   |
| 10,000,000.00  | 04/10/23   | 05/06/24 | FNMA-C      | 10,000,000.00             | 9,964,900.00              | 0.19%   |
| 25,000,000.00  | 12/10/20   | 12/10/25 | FNMA-C      | 25,012,500.00             | 22,618,380.07             | 0.43%   |
| <b>\$100,000,000.00 Total FNMA</b>                               |            |          |             | <b>\$100,012,500.00</b>   | <b>\$96,662,580.07</b>    | <b>1.85%</b>                                  |
| <b>\$3,454,273,318.87 Total US Government Agency Obligations</b> |            |          |             | <b>\$3,438,429,680.41</b> | <b>\$3,364,915,467.72</b> | <b>64.54%</b>                                 |
| <b>US TREASURIES:</b>  |            |          |             |                           |                           |   |
| 25,000,000.00  | 06/01/23   | 11/30/23 | US T-BILL   | 24,345,305.56             | 24,354,430.56             | 0.47%   |
| 15,000,000.00  | 04/14/23   | 08/01/23 | US T-BILL   | 14,781,541.29             | 14,784,475.96             | 0.28%   |
| 25,000,000.00  | 04/11/23   | 08/08/23 | US T-BILL   | 24,599,201.39             | 24,602,305.56             | 0.47%   |
| 25,000,000.00  | 04/11/23   | 08/08/23 | US T-BILL   | 24,600,027.78             | 24,602,861.11             | 0.47%   |
| <b>\$90,000,000.00 Total US T-BILLS</b>                          |            |          |             | <b>\$88,326,076.02</b>    | <b>\$88,344,073.18</b>    | <b>1.69%</b>                                  |
| 25,000,000.00  | 03/26/21   | 08/15/24 | US T-BOND   | 26,675,000.00             | 25,301,068.66             | 0.49%   |
| <b>\$25,000,000.00 Total US T-BONDS</b>                          |            |          |             | <b>\$26,675,000.00</b>    | <b>\$25,301,068.66</b>    | <b>0.49%</b>                                  |
| 25,000,000.00  | 04/13/21   | 01/15/24 | US T-NOTE   | 24,888,862.50             | 24,226,325.12             | 0.46%   |
| 25,000,000.00  | 04/15/21   | 10/15/23 | US T-NOTE   | 24,945,312.50             | 24,590,471.66             | 0.47%   |
| 25,000,000.00  | 12/13/21   | 07/15/23 | US T-NOTE   | 24,968,750.00             | 24,927,815.44             | 0.48%   |
| 25,000,000.00  | 12/13/21   | 07/15/23 | US T-NOTE   | 24,847,750.00             | 24,809,004.83             | 0.48%   |
| 25,000,000.00  | 04/13/21   | 11/15/23 | US T-NOTE   | 24,997,500.00             | 24,536,864.69             | 0.47%   |
| 25,000,000.00  | 04/08/21   | 10/31/24 | US T-NOTE   | 25,912,689.25             | 24,352,155.04             | 0.47%   |
| 25,000,000.00  | 03/25/21   | 08/31/23 | US T-NOTE   | 26,555,500.00             | 26,344,760.94             | 0.51%   |
| 25,000,000.00  | 03/23/21   | 08/31/23 | US T-NOTE   | 26,564,500.00             | 26,353,134.68             | 0.51%   |
| <b>\$200,000,000.00 Total US T-NOTES</b>                         |            |          |             | <b>\$203,680,864.25</b>   | <b>\$200,140,532.40</b>   | <b>3.84%</b>                                  |
| <b>\$315,000,000.00 Total US Treasury Securities</b>             |            |          |             | <b>\$318,681,940.27</b>   | <b>\$313,785,674.25</b>   | <b>6.02%</b>                                  |

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENTS OWNED  
JUNE 30, 2023**

| Par Value   | DATE   |          | Description          | Cost                      | Fair Value                | % of Total<br>Investments<br>at<br>Fair Value |
|---|--|----------|----------------------|---------------------------|---------------------------|---|
|   | Settlement   | Maturity |                      |                           |                           |   |
| <b><u>MEDIUM TERM NOTES:</u></b>                          |  |          |                      |                           |                           |   |
| \$10,000,000.00   | 02/23/23   | 02/23/26 | MTN-APPLE            | 9,598,600.00              | 9,581,087.41              | 0.18%   |
| <b>\$10,000,000.00</b>                                    | <b>Total Medium Term Notes</b>                         |          |                      | <b>\$9,598,600.00</b>     | <b>\$9,581,087.41</b>     | <b>0.18%</b>                                  |
| <b><u>BANK ACCOUNTS:</u></b>                              |  |          |                      |                           |                           |   |
| 25,000,000.00   | N/A  | N/A      | BOW MMP              | 25,000,000.00             | 25,000,000.00             |   |
| 75,000,000.00   | N/A  | N/A      | FIVE STAR BANK MM    | 75,000,000.00             | 75,000,000.00             |   |
| 12,183,232.14   | N/A  | N/A      | BOW Sweep Dreyfus    | 12,183,232.14             | 12,183,232.14             |   |
| 25,000,000.00   | N/A  | N/A      | STATE STREET BANK MM | 25,000,000.00             | 25,000,000.00             |   |
| <b>\$ 137,183,232.14</b>                                  | <b>Total Bank Accounts</b>                             |          |                      | <b>\$ 137,183,232.14</b>  | <b>\$ 137,183,232.14</b>  | <b>2.62%</b>                                  |
| <b><u>CALIFORNIA ASSET MANAGEMENT PROGRAM (CAMP):</u></b> |  |          |                      |                           |                           |   |
| <b>\$ 840,000,000.00</b>                                  | N/A  | N/A      | CAMP                 | <b>\$ 840,000,000.00</b>  | <b>\$ 840,000,000.00</b>  | <b>16.04%</b>                                 |
| <b><u>LOCAL AGENCY INVESTMENT FUND (LAIF):</u></b>        |  |          |                      |                           |                           |   |
| <b>\$ 10,000,000.00</b>                                   | N/A  | N/A      | LAIF                 | <b>\$ 10,000,000.00</b>   | <b>\$ 10,000,000.00</b>   | <b>0.19%</b>                                  |
| <b><u>CalTrust</u></b>                                    |  |          |                      |                           |                           |   |
| <b>\$ 20,000,000.00</b>                                   | N/A  | N/A      | CAL Trust            | <b>\$ 20,000,000.00</b>   | <b>\$ 20,000,000.00</b>   | <b>0.38%</b>                                  |
| <b><u>SUPRANATIONALS</u></b>                              |  |          |                      |                           |                           |   |
| <b>\$ 25,000,000.00</b>                                   | 06/26/23   | 06/26/28 | SUPRA                | <b>\$ 25,000,000.00</b>   | <b>\$ 24,841,000.00</b>   | <b>0.47%</b>                                  |
| <b>\$5,346,456,551.01</b>                                 | <b>TOTAL INVESTMENTS</b>                               |          |                      | <b>\$5,317,674,650.05</b> | <b>\$5,238,374,427.34</b> | <b>100.00%</b>                                |
|   | Cash on Hand   |          |                      |                           | 39,268,117.36             |   |
|   | Less: Net Deposits in Transit and Outstanding Warrants |          |                      |                           | (109,609,722.95)          |   |
|   | <b>Cash and Investments (Fair Value)</b>               |          |                      |                           | <b>\$5,168,032,821.75</b> |   |

**COUNTY OF SAN JOAQUIN  
TREASURER-TAX COLLECTOR – POOLED INVESTMENT FUNDS  
SCHEDULE OF INVESTMENTS OWNED  
JUNE 30, 2023**

| <b>Abbreviation</b> | <b>Description</b>                            |
|---------------------|---|
| BOW                 | Bank of the West                              |
| BOW MMP             | Bank of the West - Money Market Plus          |
| BOW DREYFUS SWEEP   | Bank of the West Dreyfus Sweep                |
| CAMP                | California Asset Management Program           |
| CaITRUST            | Investment Trust of California                |
| CP                  | Commercial Paper                              |
| FFCB                | Federal Farm Credit Bank                      |
| FHLB                | Federal Home Loan Bank                        |
| FHLMC               | Federal Home Loan Mortgage Corporation        |
| FNMA                | Federal National Mortgage Association         |
| FIVE STAR           | Five Star Bank Money Market                   |
| LAIF                | Local Agency Investment Fund                  |
| MUNI                | CA General Obligation Bonds (Municipal Bonds) |
| MTN - APPLE         | Medium Term Note - Apple                      |
| MTN - CVX           | Medium Term Note - Chevron                    |
| STATE STREET        | State Street Bank Money Market                |
| SUPRA               | Supranationals                                |
| UST - NOTE          | U.S. Treasury Note                            |
| UST - BILL          | U.S. Treasury Bill                            |

**OTHER AUDITOR'S REPORT**



**JEFFERY M. WOLTKAMP, CPA**  
**AUDITOR-CONTROLLER**  
**SAN JOAQUIN COUNTY**



ASSISTANT AUDITOR –CONTROLLER  
 Tod Hill

CHIEF DEPUTIES  
 Randipa Gauba –Accounting  
 Janice McCutcheon, CPA –Internal Audit  
 Lori Roller –Payroll  
 Stanley Lawrence –Property Tax

**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***

February 7, 2024

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

Dear Board Members:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the San Joaquin County (County) Treasurer-Tax Collector’s (County Treasurer) Pooled Investment Fund (Investment Trust Fund), an Investment Trust Fund of the County, as of and for the year ended June 30, 2023, and the related notes to the financial statements, and have issued our report thereon dated February 7, 2024.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the County Treasurer’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 County Treasurer’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Treasurer’s internal control.

*A deficiency in internal control* 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 and correct



misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. A significant deficiency would adversely affect 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.

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 County Treasurer's financial statements are free from material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grand agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those 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*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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,



Jeffery M. Woltkamp, CPA  
Auditor-Controller  
County of San Joaquin

JMW/za