

# County of Santa Cruz

## TREASURY OVERSIGHT COMMISSION

701 Ocean Street, Room 100  
Santa Cruz, CA 95060  
Phone: (831) 454-2500  
[www.tinyurl.com/TreasuryOversightCommission](http://www.tinyurl.com/TreasuryOversightCommission)

<b>Agenda</b>
<b>Wednesday, January 24, 2024</b> <b>3:00 P.M. (PST)</b> <b>*This meeting is IN PERSON*</b>

<b>IN PERSON LOCATION:</b>
<b>County of Santa Cruz Government Building</b> <b><i>Redwood Room - Fifth Floor Conference Room</i></b> <b><i>701 Ocean Street</i></b> <b><i>Santa Cruz, CA 95060</i></b>

To provide written public comments associated with any agenda item, please submit by email to [brandon.marquez@santacruzcountyca.gov](mailto:brandon.marquez@santacruzcountyca.gov)

For Questions regarding the hybrid meeting process, please contact Brandon Marquez, County Investment Officer at 831-454-2500 or [brandon.marquez@santacruzcountyca.gov](mailto:brandon.marquez@santacruzcountyca.gov)

<b><u>Hybrid Meeting Instructions (Audio &amp; Video):</u></b>
Join on your computer or mobile app <a href="#">Click here to join the meeting</a>

<b><u>Dial-In Instructions (Audio Only):</u></b>
<u>+1 831 - 454 - 2222</u> Conference ID: 265 539 465 141 #

The meeting starts at the time listed above with the first item and proceeds through the items in consecutive order unless otherwise noted.

As a courtesy to those persons affected, please attend the meeting smoke and scent free. The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities.

If you wish to attend this meeting and you will require special assistance in order to participate, please contact Brandon Marquez at (831) 454-2269 at least 72 hours in advance of the meeting to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format.

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**TREASURY OVERSIGHT COMMISSION**

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<b>Agenda</b>
<b>Wednesday, January 24, 2024</b>
<b>3:00 P.M. (PST)</b>
<b>*This meeting is IN PERSON*</b>

1. **Roll Call** (2 min)
2. **Oral Communications / Public Comment** (2 min)  
*Members of the public may address the Commission on items not on the agenda and under this Commission's jurisdiction for a maximum of two minutes each.*
3. **Approval of Minutes (ACTION ITEM)** (2 min)  
*May 10, 2023*
4. **Approval of Minutes (ACTION ITEM)** (2 min)  
*November 1, 2023*
5. **Review 2024 Investment Policy as adopted by the County Board of Supervisors** (2 min)
6. **Presentation of the Treasurer's Quarterly Investment Report for December 31, 2023** (2 min)
7. **Review Fiscal Year 2022 - 2023 Compliance Audit** (2 min)
8. **Correspondence**

**Adjournment**

**Next Meeting: April 24, 2023 - 3:00PM PST \*Location TBD\***

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<b>Agenda</b>
<b>Wednesday, January 24, 2024</b>
<b>3:00 P.M. (PST)</b>
<b>*This meeting is IN PERSON*</b>

<b>Materials and Correspondence in Agenda Packet</b>	
<b>Agenda Item #</b>	<b>Item</b>
1	N/A
2	N/A
3	Treasury Oversight Commission Minutes May 10, 2023
4	Treasury Oversight Commission Minutes November 1, 2023
5	Adopted Investment Policy 2024
6	Treasurer's Quarterly Investment Report for December 31, 2023
7	Treasury Oversight Commission Compliance Audit
8	N/A

# Santa Cruz County Treasury Oversight Commission

Meeting Minutes  
Wednesday, May 10, 2023  
Regular Meeting Held in person

County of Santa Cruz Government Building  
*Redwood Room – Fifth Floor Conference Room*  
701 Ocean Street  
Santa Cruz, CA 95060

**Members Present:** Ms. Liann Reyes (Chair), Supervisor Felipe Hernandez, Dr. Gail Mahood, Mr. Jim Monreal

**Others Present:** Laura Bowers (ACTTC), Brandon Marquez (ACTTC), Marcus Pimentel (CAO)

## CALL TO ORDER

- Chairperson Liann Reyes called the meeting to order at 3:04 p.m.

## ORAL COMMUNICATIONS

- None

## APPROVAL OF MINUTES

- Supervisor Hernandez and Dr. Mahood seconded to approve the to approve the November 2<sup>nd</sup>, 2022, Treasury Oversight Commission meeting minutes as presented. Motion carries with one abstention.
- Supervisor Hernandez and Mr. Monreal seconded to approve the January 25<sup>th</sup> 2023, Treasury Oversight Commission meeting minutes as presented. The commission decided to vote on approval at the next meeting due to minor amendments.

## OLD BUSINESS

- None

## NEW BUSINESS

- 
- Mr. Marquez presented the March 31<sup>st</sup>, 2023 Quarterly Investment Report. Supervisor Hernandez moved, and Dr. Mahood seconded to approve the March 31<sup>st</sup>, 2023 Quarterly Investment Report. Motion passed unanimously.
- Supervisor Hernandez moved, and Dr. Mahood seconded to vote for the following officers, where the motion passed unanimously:
  - Chairperson: Superintendent of Schools Representative

- Dr. Sabbah, or Ms. Reyes as Alternate
  - Vice Chairperson
    - Mr. Farmer
- Dr. Mahood moved, and Supervisor Hernandez seconded to Direct Auditor to Perform FY 22-23 TOC Compliance Audit. Motion passed unanimously.

## **CORRESPONDENCE**

- None

## **NEXT MEETING**

- The next meeting of the Treasury Oversight Commission is 3:00 pm on Wednesday, October 25<sup>th</sup>, 2023. Physical location or remote format to be determined.

## **ADJOURNMENT**

- Meeting adjourned at 4:00 p.m.

Respectfully submitted,



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Brandon Marquez  
Investment Officer

# Santa Cruz County Treasury Oversight Commission

Meeting Minutes  
Wednesday, November 1, 2023  
Regular Meeting Held in person

County of Santa Cruz Government Building  
*Redwood Room – Fifth Floor Conference Room*  
701 Ocean Street  
Santa Cruz, CA 95060

**Members Present:** Supervisor Manu Koenig, Ms. Liann Reyes (Chair), Mr. Chuck Farmer, Mr. Chris Schiermeyer

**Others Present:** Edith Driscoll (ACTTC), Laura Bowers (ACTTC), Brandon Marquez (ACTTC), Marcus Pimentel (CAO)

## CALL TO ORDER

- Chairperson Liann Reyes called the meeting to order at 3:06p.m.

## ORAL COMMUNICATIONS

- None

## APPROVAL OF MINUTES

- Mr. Schiermeyer moved and Mr. Farmer seconded to approve the to approve the January 25<sup>th</sup> 2023, Treasury Oversight Commission meeting minutes as presented. Motion carries unanimously.
- The Commission chose to defer action on the May 10<sup>th</sup> 2023 Treasury Oversight Commission meeting minutes to the next meeting.

## OLD BUSINESS

- None

## NEW BUSINESS

- Oaths of Office were administered by Ms. Burke, Chief Deputy Clerk of the Board to Mr. Schiermeyer, and Mr. Farmer
- Supervisor Koenig joined the meeting at 3:16pm during the discussion of the Proposed 2024 Investment Policy
- Mr. Schiermeyer moved and Mr. Farmer seconded to approve the Proposed 2024 Investment Policy with changes made with Exhibit B to match the State's Exhibit A as recommended by the County Investment Officer. Motion carries unanimously.

- Mr. Marquez presented the September 30<sup>th</sup>, 2023 Quarterly Investment Report
- Mr. Marquez presented the June 30<sup>th</sup>, 2023 Quarterly Investment Report
- Ms. Driscoll provided an update to the 2022-2023 Treasury Compliance Audit
- Supervisor Koenig moved and Mr. Farmer seconded to approve revisions of the Treasury Oversight Commission Bylaws as presented. Motion carries unanimously.
- Supervisor Koenig left the meeting at 4:01 before the discussion on Incorporating Youth Representation on the Treasury Oversight Commission.
- The Treasury Oversight Commission discussed Incorporating Youth Representation on the Treasury Oversight Commission. Further discussion will be had in future meetings.

## **CORRESPONDENCE**

- None

## **NEXT MEETING**

- The next meeting of the Treasury Oversight Commission is 3:00 pm on Wednesday, January 24<sup>th</sup>, 2024. Physical location or remote format to be determined.

## **ADJOURNMENT**

- Meeting adjourned at 4:08 p.m.

Respectfully submitted,



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Brandon Marquez  
Investment Officer

**COUNTY OF SANTA CRUZ**

**2024**

**INVESTMENT POLICY**



Adopted by Board of Supervisors on December 5, 2023

Policy in effect for calendar year 2024



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# **County of Santa Cruz**

## **STATEMENT OF INVESTMENT POLICY**

Under the laws of the State of California, it is the responsibility of the County Treasurer, at the direction of the Board of Supervisors, to secure and protect the public funds of the County and the participants of the Investment Pool, and to establish proper safeguards, controls, and procedures to maintain these funds in a lawful, rational and auspicious manner. Said maintenance shall include the prudent and secure investment of those funds that are deemed temporarily available for investment, in a manner anticipated to provide additional benefit to the people of the County of Santa Cruz. In addition, the County Treasurer acts as the Treasurer, cash manager, and investor for a sizable number of public agencies within the County rather than each entity having to locate and hire a knowledgeable person to handle the entity's banking, investments, and other financial duties separately. This pooling of public funds eliminates duplication of expenses, smooths out cash flow, permits cost savings through higher volume, and attracts more professional service providers.

This Statement of Investment Policy will be provided annually for the review of the Treasury Oversight Commission and the approval of the Board of Supervisors in an open public meeting.

### **COUNTY TREASURER**

The County Treasurer referred to in the Statement of Investment Policy is the County Auditor-Controller-Treasurer-Tax Collector.

### **SCOPE**

This Statement of Investment Policy pertains to those temporarily excess funds under the control of the Treasurer, designated for the daily ongoing operations of the County and pool participants; and concerns the deposit, maintenance, and safekeeping of all such funds, and the investments made with these funds. This Policy does not apply to pension moneys, deferred compensation funds, trustee, and certain other non-operating funds not participating in the County Investment Pool.

### **PURPOSE OF POLICY STATEMENT**

The purpose of this Statement of Investment Policy is to provide the Board of Supervisors, the Treasury Oversight Commission, those entities invested in the County Investment Pool, those involved in servicing the investment requirements of the County, and any other interested party, a clear understanding of the regulations and internal guidelines that will be observed in maintaining and investing those pooled funds deemed temporarily excess.

## TREASURY OBJECTIVES

The primary objective of the Treasurer is to protect the safety of the principal of the County Investment Pool through the judicious purchase of those legal investments permitted to local agencies, as defined in the State of California Government Codes, consistent with current conditions and the other dominant objectives pursuant to managing a local agency portfolio, namely:

***Safety:*** It is the primary responsibility of the Treasurer to maintain the safe return of all principal placed in investments by avoiding decisions that might result in losses through either fraud, default, or adverse market conditions. Import is also accorded the protection of accrued interest earned on any investment instrument.

***Liquidity:*** It is imperative that most investments be in items that are immediately negotiable, as the portfolio is a cash management fund. It shall always be assumed that all investments could require immediate liquidation in order to meet unexpected cash calls.

***Availability:*** Due to the nature of a public funds portfolio, it is mandatory that moneys be available to meet the monetary requirements inherent to operating a public entity. Thus funds need to be invested in such a manner that money will always be available to pay normal cash requirements. A sufficient portion of all funds shall be invested in securities providing a high degree of liquidity and availability, that is, in securities easily sold or converted to cash in a timely manner, with little or no loss of interest earnings.

***Yield:*** While it is considered desirable to obtain a yield commensurate to current market conditions, yield shall not be the driving force in determining which investments are to be selected for purchase. Yield is definitely considered to be of much lesser importance than safety, liquidity or availability.

The Treasurer places investments with the objective of obtaining a yield commensurate to current market conditions, not attempting to maximize yield at the expense of safety, liquidity, or availability, yet not totally ignoring those factors within the marketplace that may be indicative of either favorable or hazardous conditions. The portfolio will be managed very conservatively, but actively enough to avert avoidable losses due to adverse market conditions.

## PRUDENCE

The Treasurer is subject to the “Prudent Investor Standard” whenever making a decision regarding the investment of the County’s funds. This rule states in principle:

*“When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the agency, that a prudent investor acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency.”*

The Treasurer, and those acting for the Treasurer, are considered to have a fiduciary, trustee, relationship with the public for the public funds, and all investment decisions will be made in a manner sustaining this responsibility.

## DELEGATION OF AUTHORITY

In accordance with Government Code section 27000.1 and County of Santa Cruz Ordinance 2.10.030, the County Treasurer has been delegated the authority to invest and reinvest the funds of the County and the funds of other depositors in the County Pool.

While the Treasurer has final responsibility for all investment decisions, other Treasury personnel may aid in the day-to-day operations. Those staff members, in addition to the Treasurer, currently authorized to act on behalf of the County, as of the date entered on this Policy, are listed below. This list is subject to change, and those parties involved in transactions with the Treasurer’s department should always obtain a current Trading Authorization and Agreement form, and be verbally introduced by a known Treasury employee, prior to accepting unconfirmed verbal instructions from any previously unknown Treasury staff member.

### Authorized Personnel

Senior Department Administrative Analyst

Investment Officer

Senior Accounting Technician – Treasury Division

Other persons, both inside and outside County employment, may act in the role of assistant or advisor to aid in the timely and proper settlement of investment transactions. While these persons may provide information or aid in the expedient delivery of securities, they may not authorize, approve, or initiate any trading activities. **Only the Treasurer and the persons listed on the current *Trading Authorization and Agreement* may initiate trading activity.**

## SECURITIES CUSTODY

The Treasurer has established a third party custody and safekeeping account to which all negotiable instruments shall be delivered upon purchase on a payment versus delivery basis. No negotiable or deliverable securities or investments will be left in the custody of any brokerage firm or issuing party, including any collateral from Repurchase Agreements.

## DESIGNATED SERVICE BANK

The Treasurer shall designate a State or Federally chartered bank operating within the State of California to serve as the County's Primary Service Bank. The Treasury shall use this bank as a clearinghouse for all funds.

## AUTHORIZED INVESTMENTS AND LIMITATIONS

The Government Codes of the State of California, primarily within sections 53600 et. seq., establish the legality of certain types of investment vehicles for a California local agency's portfolio. Thereby, under no circumstances is the Treasurer permitted to purchase an investment that is not specifically authorized for a local agency under these, or other code sections that may apply, or might later be enacted, pertaining to local agency investments. Investment professionals dealing with the County should possess a complete understanding of these Code sections.

An attached Exhibit A briefly describes the types of securities that are legal within the Government Code sections noted above and outlines the various limitations included in these sections. Excepting the restrictions noted below in this section, all legally permitted investment options described in the Government Code are authorized at this time. Funds placed in the State's Local Agency Investment Fund (LAIF) shall follow the limitations placed on these deposits by the State and may change in accordance with these restrictions.

Though these Government Code sections define the investment types and terms permissible to the Treasurer, **the Treasurer will not:**

- Invest in any security or investment with a stated or potential final maturity longer than five years, unless it contains a non-retractable "put" exercisable within five years. In other words, such a security cannot be purchased by the Treasurer unless it permits the investor the unrestricted choice of selling the security back to the issuer at par, or above, at a time prior to five years.
- Invest in any security or investment wherein, by the terms of the investment, interest might not be earned during any period the security or investment exists.
- Purchase floating rate securities containing an inherent yield structure that could result in a return substantially below rates available for similar maturity periods on the dates the coupon changes.

- Enter into a reverse repurchase agreement.
- Purchase any Collateralized Mortgage Obligations.
- Lend securities.
- Invest in futures or options.

Nothing in the preceding prohibitions is intended to preclude the purchase of authorized investments that are callable.

In addition to the limitations provided in State law and this Statement of Investment Policy, various temporary and more restrictive constraints may at times be beneficial due to transient conditions within the marketplace. These flexible constraints are not part of this Policy but are presented in a document prepared by the Treasurer entitled “Temporary Constraints and Restrictions on Investments”, and will change on an “as needed” basis. The attached Exhibit B is the “Temporary Constraints and Restrictions on Investments” that were in effect when the Board of Supervisors approved this policy. When these constraints and restrictions change, a copy will be immediately sent to members of the Treasury Oversight Commission and the Board of Supervisors. These constraints or restrictions may only be *more* restrictive than those of the Policy but may *not* be less restrictive. Investment professionals should be aware of these temporary conditions in order to save time and best serve the County.

## **AUTHORIZED DEALER LIST**

It is prohibited for a transaction to be entered into with any securities broker, dealer or bank investment department or subsidiary prior to that entity being designated an Authorized Dealer, and placed on the Authorized Dealer List. For a firm to become authorized it must first demonstrate that it will add value to the Treasurer’s efforts to best manage the cash portfolio, as well as fulfill certain other minimum requirements. Preference will be given to primary dealers or others who possess a strong capital capacity and willingness to make a market in the various fixed income securities that the County holds. To qualify for Authorized Dealer status, a brokerage firm or bank must be one of the following:

- 1) Be a dealer operation properly licensed to deal with local agencies in California and have a minimum of \$50 million in capital or;
- 2) Be a Primary Dealer of the Federal Reserve Bank of New York or;
- 3) Be a department or subsidiary of an insured bank with minimum assets of \$500 million that the County has a comprehensive banking relationship with or;
- 4) Be a broker operation properly licensed to deal with local agencies in California that has capital of not less than \$5 million, that is not directly involved in the actual custody, and transfer of money or securities purchased or sold by the County, but that represents established accounts opened in the County name at those firms meeting the requirements of this section,

wherein all dealings would be the responsibility of the dealer operation, and wherein all deliveries, payments, written confirmation, etc. will originate with the qualified dealer operation and are sent directly to the County.

If meeting the above requirements, a salesperson may apply to become an Authorized Dealer by sending to the Treasurer their most recent annual and interim audited financial statements and a letter furnishing:

- 1) Their reasons for believing they would add value to the present coverage; and,
- 2) A general roster of those markets they participate in, and specifics on those types of securities they as a firm, regularly issue or regularly hold dealer trading positions in; and,
- 3) A list of five references, at least three being California local agency treasurers, including telephone numbers and email addresses that the Treasurer or his representative may contact.

The Treasurer will initiate an investigation of the applying salesperson and the firm through various sources, including the Financial Industry Regulatory Authority (FINRA), to determine market participation, knowledge, reputation, and financial stability. All salespeople and their supervisors will be expected to have a working knowledge of the appropriate sections of the State of California Government Code, sufficient experience in covering public entities, a willingness to well serve their customers, a complete and total understanding of this Investment Policy, and demonstrate an ongoing ability to work with the Treasurer and staff. The Treasurer will review all new requests annually, and if the decision is made that additional dealers would be beneficial to best service the portfolio's needs, those dealers selected will be informed of their addition to the Authorized Dealer List. All dealers are subject to removal from the Authorized Dealer List at any time, solely at the discretion of the Treasurer.

The Treasurer, or Treasury staff, are prohibited from dealing with a salesperson, broker, or account executive from any broker, dealer or bank investment department or subsidiary until the Acknowledgment form found on the last page of the *Trading Authorization and Agreement* is signed by all parties and received by the Treasurer. The *Trading and Authorization Agreement* is sent to all approved dealers and is an integral part of this Policy Statement for Broker/Dealers, etc. doing investment business with the County Treasurer or Treasury staff.

Similar restrictions and forms will be required of those firms doing business with the County through retained financial advisors or managers. Certain selected firms may be chosen or appointed by the Treasurer to render specific services the Treasurer determines they are uniquely qualified to provide, wherein some of the requirements of this section may be waived.

Neither the Treasurer, nor any member of the Treasurer's staff, may accept any gift, honoraria, gratuity or service of value in violation of the regulations set forth by the Fair Political Practices Commission, the Government Codes, additional limitations set forth by County ordinance, or internal requirements of the Treasurer. The Treasurer and all members of the Treasury staff are prohibited from conducting any business with any broker, dealer, or securities firm that has made a political contribution within any consecutive 48 month period beginning January 1, 1996, in an amount exceeding the limitation contained in Rule G37 of the Municipal Securities Rulemaking Board, to the County Treasurer or any member of the Board of Supervisors, or any candidate for these offices.

## THE COUNTY TREASURY OVERSIGHT COMMISSION

In accordance with Government Code section 27130 et seq. and County Ordinance 4433, there shall be a Treasury Oversight Commission of five members appointed from the following:

- a) An appointed representative of the Board of Supervisors.
- b) The County Superintendent of Schools, or designee.
- c) A representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts of the County.
- d) A representative selected by a majority of the presiding officers of the legislative bodies of the special districts within the County that are required or authorized to deposit money in the County Investment Pool.
- e) A public member who shall have expertise in, or an academic background in, public finance.

**Restriction of Members** - All members of the Treasury Oversight Commission are restricted as follows:

- A member may not be employed by an entity that has (a) contributed to the campaign of a candidate for the office of local treasurer; or (b) contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the county treasury, in the previous three years or during the period that the employee is a member of the commission.
- A member may not directly or indirectly raise money for a candidate for local treasurer or a member of the governing board of any local agency that has deposited funds in the county treasury while a member of the commission.
- A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the treasurer is doing business during the period that the person is a member of the commission or for one year after leaving the commission.
- Members may not receive honoraria, gifts, gratuities or service of value from advisors, brokers, dealers, bankers, or other persons with whom the county treasury conducts business.

The Treasurer will annually provide a copy of the Investment Policy for review and monitoring by the Treasury Oversight Commission. The Treasurer will provide a report quarterly to the Board of Supervisors and the Treasury Oversight Commission, identifying all investments held in the County Investment Pool, or elsewhere by the Treasurer. The Treasury Oversight Commission shall, via this report and other appropriate means, monitor the activities of the Treasurer, and cause to be performed an annual audit to determine the Treasurer's compliance with this Investment Policy, and other appropriate regulations.

Commission meetings shall be open to the public and in compliance with the appropriate sections of the Ralph M. Brown Act. By Code, all costs related to the duties of the Treasury Oversight Commission will be considered normal charges against earnings of the Investment Pool.



The Treasury Oversight Commission shall have no authority to direct the process or daily operation of any portion of the Treasury department, nor shall the Commission play any role in determining which banks, firms, or individuals the Treasurer does business with, nor shall the Commission be involved in determining which investments the Treasurer purchases, but shall act only to review the actions of the Treasurer to determine that they are in accordance with the Investment Policy and all other legal requirements or regulations.

## **TERMS FOR FUNDS INVESTED WITH THE COUNTY INVESTMENT POOL**

The Government Code requires the County Treasurer to define the limits and conditions under which local agencies having their money in the Investment Pool may deposit and withdraw their funds. The Government Codes confer upon the Treasurer the final authority as to how funds for which the Treasurer is held responsible for overseeing, are to be invested. The Treasurer must take into account the current financial condition of the sum total of the Pools' agencies, the conditions of the marketplace, as well as the cash flow projections and the potential for changes in the Pool's cash needs. The Treasurer must protect the earnings of each individual local agency in the Pool, and also see that no decision will reward a particular agency or group of agencies within the Pool at the expense of another or others within the Pool. If the Treasurer determines that a request for a withdrawal of funds for a specific or outside investment is not, in the Treasurer's opinion, in the best interest of a particular agency, or is overly detrimental to the Pool as a whole, the Treasurer must legally deny the request, or find a means of neutralizing the harm to all those affected.

Any funds deposited in accounts that are consolidated into the County Investment Pool that are not immediately required to meet cash flows of the Pool will be invested by the Treasurer or the Treasurer's staff. All Pool entities agree that by placing funds in such accounts that they agree to proportionately participate in all investments within the Investment Pool.

### **FUNDS OF AGENCIES REQUIRED TO INVEST WITHIN THE POOL**

Funds will be accepted at all times, in the manner prescribed, from those local agencies where the County Treasurer is also the Treasurer for the local agency, or from any agencies that by statute must place their money in the County Investment Pool. Funds will earn interest based on the average daily balance distributed on a monthly basis.

Should a legislative body of a local agency determine that certain funds will not be required by the local agency for a period of at least one year, the local agency may petition the County Treasurer to invest that portion of the local agency's excess funds in a specific investment under the control of the County Treasurer. Such a petition should state the nature of the funds the legislative body wishes to invest specifically, and the reasons why the legislative body believes a specific investment is a preferable and viable alternative to the general Pool participation. Should the Treasurer determine that the request for a specific investment is valid and not overly counter-productive to the Pool as a whole, the Treasurer will consult with the local agency's legislative body, or its appointed representative, to suggest and determine exactly what investment(s) should be purchased to fulfill the needs of the local agency. The Treasurer will then purchase the specific investment(s) upon receipt of a written resolution, issued by the legislative body of the local agency, requesting the specific investment. The resolution must acknowledge that the local agency's legislative body takes

full responsibility for the decision to purchase the specific investment(s), and that should conditions change requiring a sale prior to maturity of the specific investment(s), any loss that might be suffered as a result, will be solely that of the local agency, and that this loss shall not be shared by the Pool as a whole, nor by the County.

Under language added to the Government Code in 1995, it is not permissible for local agency legislative bodies, required to have their funds within the Pool, to withdraw funds from the Pool in order to invest outside the County Pool in any manner, at any time without specific permission of the Treasurer. Any such investments shall be either terminated and all funds returned to the Pool, or the securities so purchased must be transferred to the custody of the County Treasurer immediately. Upon receipt of any such securities by the Treasurer, the Treasurer shall at the Treasurer's option, place the investment in the Pool, terminate the investment at the current market value and credit the local agency with the proceeds, or place the security in the name of the local agency as a specific investment.

#### MONEY VOLUNTARILY INVESTED WITH THE COUNTY INVESTMENT POOL

By Code, the County Treasurer shall limit the amounts and set conditions under which money from local agencies, not required to have their funds in the Investment Pool, may deposit and withdraw voluntarily invested funds. Local agencies from outside the County will not be permitted to deposit funds in the County Pool. Funds from local agencies within the County, voluntarily wishing to participate in the Pool, will not be accepted under normal conditions unless the Treasurer is assured that these funds are in lieu of longer-term investments. Such deposits are subject to withdrawal restrictions for a set minimal term as to be agreed to, prior to the funds being accepted into the Pool. Total amount of deposited funds may not be withdrawn at any time without a minimum of thirty days notice of "intent to withdraw."

Before a local agency withdraws monies from the Fund, it must submit a withdrawal request a minimum of 2 working days prior to the desired withdrawal date. Although not encouraged, shorter notice may be honored at the discretion of the County Treasurer's Office if the withdrawal does not cause the Fund to fall out of compliance with its maturity policy or jeopardize its ability to meet cash flow requirements.

Under normal conditions, voluntary money withdrawn from the Pool will be disbursed on a dollar for dollar basis, plus appropriate interest, but under adverse market conditions, when the Treasurer deems the withdrawal of voluntary funds would cause undue losses or significantly lower earnings for those local agencies remaining within the Pool, the Treasurer may require one or more of three remedies:

1) restrict the percentage of funds that may be withdrawn in any given month 2) restrict the rate at which the funds may be withdrawn, or 3) require the local agency withdrawing their funds to accept their funds based on the current market value of the overall Pool.

These terms will be agreed to and contracts signed prior to any voluntary money being accepted into the County Investment Pool. Such terms may exceed minimum requirements set forth in the Government Codes.

Specific investments are not normally permitted with voluntary funds, though on a cost recovery basis and under circumstances that dictate such activity, exceptions may be permitted.

## **POOLING FUNDS AND DISTRIBUTING EARNINGS**

Funds available from all sources may be pooled in order to achieve greater investment potential. The earnings from the pooled investments shall be deposited in a dedicated fund. Each month, accrued interest will be distributed to each participant in the Pool proportional to their average daily balance in the pool during the month.

Funds placed in specific investments earn the yield of the investment, not the return earned by the Pool. Earnings on specific investments will be distributed within thirty days of receipt. The Treasury will charge the cost of administration against the earnings of the specific investment.

## **CALCULATING AND APPORTIONING COSTS**

The County Treasurer, following the criteria outlined by the Federal Office of Management and Budget Circular A-87, will determine the “administrative cost” of investing or handling of funds as well as the cost of equipment which expedites processing. This cost shall be deducted prior to interest apportionment and shall be shared proportionately by all pooled and specific investments.

## **REPORTING**

The Treasurer will report to the Board of Supervisors and the Treasury Oversight Commission on a quarterly basis the holdings, status, and earnings of the portfolio. The Statement of Investment Policy will be reviewed by the Treasury Oversight Commission and adopted by the County Board of Supervisors annually. Should circumstances require revision within this Policy during the year, the changes will be presented to the Treasury Oversight Commission, and approval obtained from the Board of Supervisors prior to these alterations being adopted.

The Treasurer reports monthly to the County Board of Supervisors all investment transactions completed in the prior month.

The Auditor reports quarterly to the County Board of Supervisors the results of their regular cash audit of the Treasury.

EXHIBIT A

## Allowable Investment Instruments per State Government Code

	<b>INVESTMENT TYPE</b>	<b>MAXIMUM MATURITY</b>	<b>MAXIMUM SPECIFIED % OF PORTFOLIO</b>	<b>MINIMUM QUALITY REQUIREMENTS</b>
A	LOCAL AGENCY BONDS	5 YEARS	NONE	NONE
B	U.S. TREASURY OBLIGATIONS	5 YEARS	NONE	NONE
C	STATE OBLIGATIONS –CA AND OTHERS	5 YEARS	NONE	NONE
D	CA LOCAL AGENCY OBLIGATIONS	5 YEARS	NONE	NONE
E	US AGENCY OBLIGATIONS	5 YEARS	NONE	NONE
F	BANKERS’ ACCEPTANCES	180 DAYS	40%	NONE
G	COMMERICAL PAPER (Non-Pooled Funds under \$100,000,000 of investments)	270 DAYS	25%	Highest letter and number rating by an NRSRO*
H	COMMERCIAL PAPER (Pooled Funds)	270 DAYS	40%	Highest letter and number rating by an NRSRO*
I	NEGOTIABLE CERTIFICATES OF DEPOSIT	5 YEARS	30%	NONE
J	NON-NEGOTIABLE CERTIFICATES OF DEPOSIT	5 YEARS	NONE	NONE
K	PLACEMENT SERVICE DEPOSITS	5 YEARS	50%	NONE
L	PLACEMENT SERVICE CERTIFICATES OF DEPOSIT	5 YEARS	50%	NONE
M	REPURCHASE AGREEMENTS	1 YEAR	NONE	NONE
N	REVERSE REPURCHASE AGREEMENTS AND SECURITIES LENDING AGREEMENTS	92 DAYS	20% OF THE BASE VALUE OF THE PORTFOLIO	NONE
O	MEDIUM-TERM NOTES	5 YEARS	30%	“A” Rating
P	MUTUAL FUNDS AND MONEY MARKET MUTUAL FUNDS	N/A	20%	MULTIPLE
Q	COLLATERALIZED BANK DEPOSITS	5 YEARS	NONE	NONE
R	MORTGAGE PASS-THROUGH SECURITIES	5 YEARS	20%	“AA” RATING

EXHIBIT A

**Allowable Investment Instruments per State Government Code**

	AND ASSET -BACKED SECURITIES			
S	COUNTY POOLED INVESTMENT FUNDS	N/A	NONE	NONE
T	JOINT POWERS AUTHORITY POOL	N/A	NONE	MULTIPLE
U	LOCAL AGENCY INVESTMENT FUND (LAIF)	N/A	NONE	NONE
V	VOLUNTARY INVESTMENT PROGRAM FUND	N/A	NONE	NONE
W	SUPRANATIONAL OBLIGATIONS	5 YEARS	30%	“AA” RATING
X	PUBLIC BANK OBLIGATIONS	5 YEARS	NONE	NONE

**\*NRSRO (“Nationally Recognized Statistical Ratings Organization”) An NRSRO is a credit rating agency that provides an assessment of the creditworthiness of a firm or financial instrument(s) that is registered and approved by the Securities and Exchange Commission (SEC).**

## EXHIBIT B

# Temporary Constraints and Restrictions on Santa Cruz County Investments

**A. Bonds issued by the County or County Agencies.** The Treasurer may purchase debt issued by the County or its agencies, but any such debt purchased will normally be obtained only directly from the issuing agency and not in the secondary market. Such issues, along with issues from 'C' and 'D' below, shall not exceed 10% of the total portfolio.

**B. US Treasury obligations.** The Treasurer currently invests in US Treasury obligations. US Treasuries provide the greatest liquidity in the market and should be a preferred investment for their very strong liquidity and high credit quality. There is no limit on the percentage of the portfolio in US Treasuries.

**C. State of California Obligations.** The Treasurer may invest in state obligations, including notes, bonds, or other instruments of the State of California. Interest bearing state issued warrants as an investment alternative are permissible investments. Such issues, along with issues from 'A' and 'D' below, shall not exceed 10% of the total portfolio.

**D. Obligations of another California local agency.** The Treasurer does not currently purchase these securities due to tax considerations, but may purchase taxable issues. The total of such issues, along with issues from 'A' and 'C' above, shall not exceed 10% of the overall portfolio. LAIF investments (see 'U' below) shall not be included when calculating this percentage, nor shall investments in joint powers authority pools (see 'T' below) that resemble money market mutual funds such as CAMP and CALTRUST. Maximum investments in LAIF shall be governed by the maximum permitted by the State. Neither of these limits shall include specific investments or individual local agency's investments of bond proceeds not made through the pool.

**E. Obligations of the various Federal Agencies.** The Treasurer currently does not invest in any long-term pooled securities issued by GNMA, FHLMC, SBA, or any federal agency with a maturity based on average life calculations. Due to the frequent concerns for the safety and liquidity levels of many agency obligations, the Treasurer monitors and may restrict the purchase of any particular agency's securities at any time. No single Government Sponsored Enterprise (GSE) will account for more than 25% of the portfolio at this time. The total of all GSEs may compose 100% of the portfolio. The GSEs referred to above include FHLMC, FNMA, FHLB and FFCB.

**F. Bankers Acceptance.** The Treasurer currently purchases bankers acceptances from those banks rated "AA" or higher by both Moody's and Standard and Poor's rating agencies. Additionally, the Treasurer monitors, and therefore may possibly eliminate those banks whose marketability and liquidity may be considered suspect due to their pricing within the secondary markets. Foreign banks shall be headquartered in certain Western European countries, Canada, or Japan. For additional potential restrictions see section 'AA' below.

## EXHIBIT B

**G. Commercial Paper (Non-Pooled Funds under \$100,000,000 of investments).** The Treasurer currently does not allow the percent of commercial paper of non-pooled funds under \$100,000,000 of investments to exceed 25% of the total portfolio. The Treasurer is currently only purchasing commercial paper with maturities of 90 days or less.

**H. Commercial Paper (Pooled Funds).** The Treasurer currently does not allow the percent of commercial paper of pooled funds under \$100,000,000 of investments to exceed 40% of the total portfolio. The Treasurer is currently only purchasing commercial paper with maturities of 90 days or less.

**I. Negotiable Certificates of Deposit (NCD).** The Treasurer currently purchases those types of NCD permitted by the Government Codes only from banks with a long-term rating of "A" and short-term rating of A1 / P1 or better from both Moody's and Standard and Poor's rating agencies. Additionally, the Treasurer monitors, and therefore may possibly eliminate those banks whose marketability and liquidity may be considered suspect due to their pricing within the secondary markets. NCD issued by S&Ls, savings banks and credit unions are not currently purchased. The Treasurer currently is not purchasing NCD with maturities greater than one year.

**J. Non-Negotiable Certificates of Deposit.** The Treasurer may invest in Non-Negotiable Certificates of Deposit. Please see section 'AA' below for additional restrictions on non-negotiable Certificates of Deposit (CD) purchases.

**K. Placement Service Deposits.** The Treasurer may invest or participate in Placement Services. See section 'AA' below for restrictions on time deposits.

**L. Placement Service Certificates of Deposit.** The Treasurer may invest or participate in CD Placement Services. See section 'AA' below for restrictions on time deposits.

**M. Repurchase Agreements.** Repurchase agreements will only be entered into with Primary Dealers, and all collateral will be delivered to a third party designated by the Treasurer, as per state law. Due bills are not acceptable, nor, except in cases of extreme emergency, are substitutions of collateral on agreements under thirty days. The Treasurer will constantly monitor the market value of all collateral and shall require additional collateral if the market value falls to a level of 100% of the cash value invested, when Treasury Notes and Bonds are the collateral, and at higher levels for other types of collateral. Treasury Notes and Bonds will be collateralized at a minimum of 102% of market at the start of the repo, for short-term repos, and possibly at higher levels for longer-term repos, (percentage determined by market conditions, etc.). Repo agreements with Treasury Bills or other discounted securities as collateral will be priced to market and collateralized at a minimum of 102% of market, (actual percentage to be determined by collateral type, conditions, etc.). Collateral with maturities beyond five years are not acceptable, (except in certain limited cases where unrestricted 'puts' are included with the issue), and all collateral must meet the same requirements as purchased securities. Repurchase Agreements will not be entered into for periods longer than ninety days. Repurchase Agreement contracts will be on file for any dealer with which the County does Repos. See section 'S' below for other potential restrictions on Repo collateral.

## EXHIBIT B

**N. Reverse Repurchase Agreements and Securities Lending Agreements.** The County Investment Policy does not allow the Treasurer to enter into reverse repurchase agreements, or lend securities.

**O. Medium Term Notes.** The Treasurer currently purchases medium term notes with a rating of "A" or higher from both Moody's and Standard and Poor's rating agencies. See section 'AA' below for additional potential restrictions on medium term notes. Medium term notes shall not exceed 30% of the portfolio.

**P. Mutual Funds and Money Market Mutual Funds.** The Treasurer currently imposes no additional restrictions on mutual fund purchases beyond those in the Codes.

**Q. Collateralized Bank Deposits.** The Treasurer currently imposes no additional restrictions on collateralized bank deposits beyond those in the Codes.

**R. Mortgage Pass-Through Securities and Asset Backed Securities.** The Treasurer does not invest in Mortgage pass-through securities nor in any collateralized mortgage investments. The Treasurer may purchase asset backed commercial paper with a maturity of less than or equal to 90 days and a short term rating of A1 / P1 / F1. The Treasurer currently does not purchase medium term notes issued by structured investment vehicles.

**S. County Pooled Investment Funds.** The Treasurer does not invest in County Pooled Investment Funds.

**T. Joint Powers Authority (JPA) Pool.** Investments in JPA investment funds shall not exceed 25% of the pool's portfolio.

**U. Local Agency Investment Fund (LAIF).** The Treasurer does invest in LAIF up to the current limit determined by the State Treasurer.

**V. Voluntary Investment Program Fund.** Any investment made shall require prior written approval of the Treasurer.

**W. Supranational Obligations.** The Treasurer may purchase United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank eligible for purchase and sale within the United States. The issue shall be rated "AA" or better by an NRSRO\* and shall not exceed 30 percent of the portfolio.

**X. Public Bank Obligations.** Any investment made shall require prior written approval of the Treasurer.



## EXHIBIT B

**AA. Exposure Limits.** Presently the total exposure to any one issuer, when totaling all types of securities shall not exceed 10% of the total portfolio on date of purchase. Exceptions to this limit shall include US Treasury issues, federal agency or government sponsored enterprise issues, and funds in LAIF. Repurchase agreement collateral shall not be excluded from this calculation unless the repurchase agreement is for 5 business days or less. Exposure to the overall credit of individual foreign countries shall be monitored and maintained at prudent levels.

**BB. Futures and Options.** The County Investment Policy does not allow the Treasurer to invest in futures or options. The purchase of callable securities is permitted.

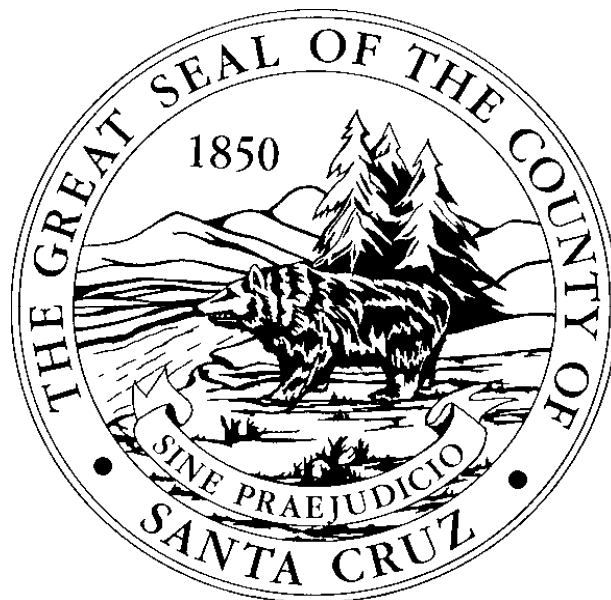
**CC. Maturities over Three Years.** Any investment made with a maturity exceeding three years shall require prior written approval of the Treasurer. The Treasurer may provide temporary exemptions for specific employees for a period not to exceed one year such that each individual investment shall not require specific approval.

**DD. Calculating Limits.** State law states that all required percentages included within investment related sections of the Government Codes are only binding on the day the investment is made, and that future changes in the size of the portfolio do not require the Treasurer to readjust the total percentage of each security type within the portfolio to reflect the change in size. Neither is it necessary to sell an investment when changes occur such that the security no longer meets the minimum requirements of the Codes or the Codes are changed such as to no longer include certain current holdings. The Treasurer shall weigh the change in risk and determine whether or not a security should be sold within the portfolio after a change in conditions or the Codes result in a particular security no longer meeting existing or new regulations.

**\* NRSRO (“Nationally Recognized Statistical Ratings Organization”) An NRSRO is a credit rating agency that provides an assessment of the creditworthiness of a firm or financial instrument(s) that is registered and approved by the Securities and Exchange Commission (SEC).**

Santa Cruz County Treasurer's  
**Quarterly Investment Report**

**For the Quarter Ended  
December 31, 2023**



**Edith Driscoll**  
**Auditor – Controller – Treasurer - Tax Collector**

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# MEMBERS AND AUDIT PROCESS

<b>Treasury Oversight Commission - Commissioner List</b>			
<i>Representation:</i>	<i>Name:</i>	<i>Member Status:</i>	<i>Title:</i>
<b>Board of Supervisors</b>	Supervisor Manu Koenig	Voting	<i>Board of Supervisor - 1st District</i>
	Supervisor Felipe Hernandez	Alternate	<i>Board of Supervisor - 4th District</i>
<b>Superintendent of Schools*</b>	Dr. Faris Sabbah	Voting	<i>County Superintendent of Schools</i>
	Ms. Liann Reyes	Alternate	<i>Deputy Superintendent - Business Services</i>
<b>Special Districts</b>	Mr. Chuck Farmer**	Voting	<i>Chief Financial Officer, Santa Cruz METRO</i>
	Vacant	Vacant	<i>Vacant</i>
<b>County School Districts</b>	Mr. Chris Shiermeyer	Voting	<i>Superintendent, San Lorenzo Valley USD</i>
	Mr. Jim Monreal	Alternate	<i>Asst. Superintendent - Business Services</i>
<b>Public Members</b>	Dr. Gail Mahood	Voting	<i>Public Member</i>
	Mr. David Culver	Alternate	<i>Public Member</i>

\* Treasury Oversight Commission Chairperson

\*\* Treasury Oversight Commission Vice Chairperson

The Office of the Santa Cruz County Auditor-Controller-Treasurer-Tax Collector (ACTTC) is included in the County's annual financial audit process. The County's Audit Committee selects an external audit firm to perform the annual audit which includes a review of the internal controls of the County and the ACTTC. Additionally, in compliance with Section 26920 of the Government Code of the State of California, four quarterly audits are performed by the county auditor to review the Treasurer's statement of assets in the county treasury. These audits include manual cash counts, verification of records, and a report to the Board of Supervisors in accordance with the appropriate professional standards, as determined by the ACTTC.



# COUNTY OF SANTA CRUZ

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EDITH DRISCOLL  
AUDITOR-CONTROLLER-TREASURER-TAX COLLECTOR  
701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 95060-4073  
(831) 454-2500 FAX (831) 454-2660

January 3, 2024

Board of Supervisors  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

Subject: **CERTIFICATION OF LIQUIDITY**

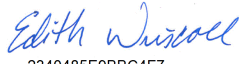
Dear Members of the Board:

This report shows the investment activity for the quarter ending December 31, 2023 of pooled funds on deposit with the Treasurer and that it is in compliance with California Government Code Sections 27000 et seq., 53600 et seq., and the County's 2023 Investment Policy.

Attached are summaries of the Portfolio Structure, Investment Details, Securities Activity by Brokers, and other information to provide a better understanding of the investment activity that has occurred through December 31, 2023.

Pursuant to Government Code § 53646(b)(3), I certify that because of the liquidity of the pool and the county's issuance of Teeter Notes and TRAns, the county has the ability to meet the pool's expenditure requirements for the next six months.

Respectfully submitted,

DocuSigned by:  
  
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EDITH DRISCOLL  
Auditor-Controller-Treasurer-Tax Collector  
1/4/2024

**Santa Cruz County Treasurer's Portfolio  
As of December 31, 2023**

ISSUER	COST	BOOK VALUE	YIELD	PAR VALUE	MARKET VALUE (1)	% of PORTFOLIO (5)	% ALLOWED	PURCHASE DATE	MATURITY DATE	CREDIT RATING (2)
<b>U.S. Treasuries</b>										
U.S.Trust	19,474,295.56	19,970,955.56	5.52%	20,000,000.00	19,973,800.00	1.49%	100.00%	07/14/23	01/11/24	Aaa/AA+/AAA
U.S.Trust	21,896,936.73	21,998,494.61	0.30%	22,000,000.00	21,959,520.00	1.64%	100.00%	04/05/21	01/15/24	Aaa/AA+/AAA
U.S.Trust	18,147,371.59	17,031,324.53	0.25%	17,000,000.00	16,960,900.00	1.27%	100.00%	03/03/21	01/31/24	Aaa/AA+/AAA
U.S.Trust	19,946,231.87	19,997,780.62	0.22%	20,000,000.00	19,875,800.00	1.49%	100.00%	02/17/21	02/15/24	Aaa/AA+/AAA
U.S.Trust	34,480,267.50	34,638,225.42	5.48%	35,000,000.00	34,646,150.00	2.58%	100.00%	12/01/23	03/12/24	Aaa/AA+/AAA
U.S.Trust	19,562,165.00	19,650,876.67	5.43%	20,000,000.00	19,653,400.00	1.47%	100.00%	12/01/23	05/02/24	Aaa/AA+/AAA
U.S.Trust	19,548,834.60	19,834,621.36	4.83%	20,000,000.00	19,804,600.00	1.48%	100.00%	04/27/22	05/15/24	Aaa/AA+/AAA
U.S.Trust	14,968,282.95	14,996,012.30	0.32%	15,000,000.00	14,730,450.00	1.12%	100.00%	05/20/21	05/15/24	Aaa/AA+/AAA
U.S.Trust	29,068,063.75	29,302,111.67	5.39%	30,000,000.00	29,313,900.00	2.19%	100.00%	11/07/23	06/13/24	Aaa/AA+/AAA
U.S.Trust	24,081,734.03	24,361,503.44	5.47%	25,000,000.00	24,402,913.72	1.82%	100.00%	10/10/23	07/15/24	Aaa/AA+/AAA
U.S.Trust	29,765,675.96	29,774,259.56	5.06%	30,000,000.00	29,771,479.08	2.22%	100.00%	12/28/23	08/15/24	Aaa/AA+/AAA
U.S.Trust	19,352,581.52	19,453,769.84	5.15%	20,000,000.00	19,672,931.52	1.45%	100.00%	09/26/23	08/15/25	Aaa/AA+/AAA
U.S.Trust	13,329,092.97	13,449,732.92	5.01%	15,000,000.00	13,766,835.16	1.00%	100.00%	10/18/23	08/31/26	Aaa/AA+/NA
U.S.Trust	30,737,564.04	30,735,775.27	4.04%	30,000,000.00	30,725,732.79	2.29%	100.00%	12/28/23	10/15/26	Aaa/AA+/NA
U.S.Trust	19,106,521.74	19,123,006.29	4.39%	20,000,000.00	19,398,671.74	1.43%	100.00%	12/12/23	07/01/27	Aaa/AA+/NA
U.S.Trust	19,318,260.65	19,330,905.62	4.39%	20,000,000.00	19,614,454.40	1.44%	100.00%	12/12/23	08/31/27	Aaa/AA+/NA
U.S.Trust	17,592,561.14	17,622,880.41	4.33%	20,000,000.00	17,628,092.39	1.31%	100.00%	12/12/23	06/30/28	Aaa/AA+/NA
<b>Total US Treasuries</b>	<b>370,376,441.60</b>	<b>371,272,236.09</b>	<b>4.04%</b>	<b>379,000,000.00</b>	<b>372,219,630.80</b>	<b>27.70%</b>				
<b>U.S. Government Agencies</b>										
Federal Farm Credit Bank	18,015,290.00	18,000,230.99	0.20%	18,000,000.00	17,956,800.00	1.34%	100.00%	02/03/21	01/19/24	Aaa/AA+/AAA
Federal Home Loan Bank	15,000,000.00	15,000,000.00	3.40%	15,000,000.00	14,980,650.00	1.12%	100.00%	07/29/22	01/26/24	Aaa/AA+/AAA
Federal Home Loan Bank	20,000,000.00	20,000,000.00	0.80%	20,000,000.00	19,650,800.00	1.49%	100.00%	11/30/21	05/24/24	Aaa/AA+/AAA
Federal Home Loan Bank	10,000,000.00	10,000,000.00	2.72%	10,000,000.00	9,898,000.00	0.75%	100.00%	04/28/22	05/28/24	Aaa/AA+/AAA
Federal Home Loan Bank	29,723,664.67	29,292,870.35	2.70%	29,270,000.00	28,956,518.30	2.19%	100.00%	05/13/22	06/14/24	Aaa/AA+/AAA
Federal Home Loan Bank	25,000,000.00	25,000,000.00	1.05%	25,000,000.00	24,384,500.00	1.87%	100.00%	01/25/22	07/25/24	Aaa/AA+/AAA
Fed.Home Loan Mtg.Corp	20,000,000.00	20,000,000.00	3.65%	20,000,000.00	19,834,600.00	1.49%	100.00%	07/29/22	07/26/24	Aaa/AA+/AAA
Federal Home Loan Mort. Corp.	25,000,000.00	25,000,000.00	2.63%	25,000,000.00	24,648,000.00	1.87%	100.00%	04/29/22	07/29/24	Aaa/AA+/AAA
Federal Home Loan Mort. Corp.	20,000,000.00	20,000,000.00	3.05%	20,000,000.00	19,706,600.00	1.49%	100.00%	05/26/22	08/26/24	Aaa/AA+/AAA
Federal Farm Credit Bank	20,043,100.00	20,010,633.33	0.32%	20,000,000.00	19,162,200.00	1.49%	100.00%	01/27/21	01/15/25	Aaa/AA+/AAA
Fannie Mae	25,000,000.00	25,000,000.00	5.65%	25,000,000.00	25,084,500.00	1.87%	100.00%	10/16/23	07/16/25	Aaa/AA+/AAA
Fed.Home Loan Mtg.Corp	20,000,000.00	20,000,000.00	4.05%	20,000,000.00	19,741,200.00	1.49%	100.00%	08/15/22	08/15/25	Aaa/AA+/AAA
Fed.Home Loan Mtg.Corp	14,965,593.75	14,982,550.56	0.44%	15,000,000.00	13,999,950.00	1.12%	100.00%	12/22/20	09/23/25	Aaa/AA+/AAA
Federal Home Loan Bank	15,000,000.00	15,000,000.00	1.15%	15,000,000.00	13,738,050.00	1.12%	100.00%	10/28/21	10/28/26	Aaa/AA+/AAA
<b>Total Government Agencies</b>	<b>277,747,648.42</b>	<b>277,286,285.23</b>	<b>2.36%</b>	<b>277,270,000.00</b>	<b>271,742,368.30</b>	<b>20.69%</b>				
<b>Supranationals</b>										
Inter-American Devel Bank	15,101,100.00	14,050,809.66	0.37%	14,000,000.00	13,951,560.00	1.05%	30.00%	03/15/21	02/21/24	Aaa/AAA/AAA
Int Bank of Recon & Development	15,021,614.58	15,000,000.00	0.63%	15,000,000.00	14,247,900.00	1.12%	30.00%	07/15/21	04/22/25	Aaa/AAA/NA
Int Bank of Recon & Development	17,942,900.00	17,967,111.12	0.60%	18,000,000.00	16,774,920.00	1.34%	30.00%	02/18/21	10/28/25	Aaa/AAA/NA
<b>Total Supranationals</b>	<b>48,065,614.58</b>	<b>47,017,920.78</b>	<b>0.54%</b>	<b>47,000,000.00</b>	<b>44,974,380.00</b>	<b>3.51%</b>				
<b>Medium Term Notes</b>										
Bank of America	3,372,682.95	3,278,096.64	2.99%	3,276,000.00	3,273,313.68	0.24%	30.00%	04/22/22	01/22/24	A2/A-/AA-
Bank of America	10,000,000.00	10,000,000.00	3.10%	10,000,000.00	9,887,400.00	0.75%	30.00%	04/27/22	04/29/24	A2/A-/AA-
Bank of America	20,000,000.00	20,000,000.00	1.00%	20,000,000.00	19,535,800.00	1.49%	30.00%	12/03/21	06/03/24	A2/A-/AA-
Caterpillar Financial Services	3,076,495.00	3,008,587.05	2.62%	3,000,000.00	2,970,720.00	0.22%	30.00%	04/14/22	06/09/24	A2/A/A
Toyota Motor Corp	9,483,819.44	9,640,590.55	5.14%	10,000,000.00	9,653,119.44	0.72%	30.00%	07/20/23	01/13/25	A1/A+/A+
Microsoft	17,665,053.60	17,563,542.07	2.60%	17,544,000.00	17,167,505.76	1.31%	30.00%	04/06/22	02/12/25	Aaa/AAA/AAA
Bank of America	10,000,000.00	10,000,000.00	2.35%	10,000,000.00	9,579,200.00	0.75%	30.00%	03/10/22	03/10/25	A2/A-/AA-
Intel Corporation	9,945,250.00	9,820,406.04	4.91%	10,000,000.00	9,841,200.00	0.73%	30.00%	07/20/23	07/29/25	A2/A/A-
Toyota Motor Corp	9,170,222.22	9,322,311.50	4.84%	10,000,000.00	9,346,500.00	0.70%	30.00%	07/17/23	10/16/25	A1/A+/A+
Apple Inc	9,123,316.67	9,254,013.90	4.50%	10,000,000.00	9,261,700.00	0.69%	30.00%	07/17/23	02/08/26	Aaa/AA+/NA
Merck & Co Inc	4,970,725.00	4,984,248.30	0.90%	5,000,000.00	4,634,800.00	0.37%	30.00%	09/24/21	02/24/26	A1/A+/A+
JP Morgan	15,000,000.00	15,000,000.00	5.25%	15,000,000.00	15,017,400.00	1.12%	30.00%	06/12/26	06/12/26	A1/A-/A
Bank of America	15,000,000.00	15,000,000.00	6.00%	15,000,000.00	14,985,000.00	1.12%	30.00%	09/25/23	09/25/26	A2/A-/AA-
JP Morgan	15,000,000.00	15,000,000.00	6.00%	15,000,000.00	15,139,350.00	1.12%	30.00%	05/18/23	11/15/28	A1/A-/A
<b>Total Medium Term Notes</b>	<b>151,807,564.88</b>	<b>151,871,796.05</b>	<b>3.86%</b>	<b>153,820,000.00</b>	<b>150,293,008.88</b>	<b>11.33%</b>				

**Santa Cruz County Treasurer's Portfolio**  
**As of December 31, 2023**

ISSUER	COST	BOOK VALUE	YIELD	PAR VALUE	MARKET VALUE (1)	% of PORTFOLIO (5)	% ALLOWED	PURCHASE DATE	MATURITY DATE	CREDIT RATING (2)
<b>Negotiable CDs</b>										
Standard Chartered Bank	25,000,000.00	25,000,000.00	5.90%	25,000,000.00	25,012,000.00	1.87%	30.00%	07/17/23	02/21/24	P1/A1+/F1
Swedbank	25,000,000.00	25,000,000.00	5.80%	25,000,000.00	25,027,000.00	1.87%	30.00%	04/27/22	05/08/24	P1/A1+/F1
Toronto Dominion	25,000,000.00	25,000,000.00	5.85%	25,000,000.00	25,067,250.00	1.87%	30.00%	03/03/22	08/16/24	P1/A1+/F1
Standard Chartered Bank NY	25,000,000.00	25,000,000.00	6.09%	25,000,000.00	25,101,500.00	1.87%	30.00%	10/03/23	09/03/24	P1/A1+/F1
<b>Total Negotiable CDs</b>	<b>100,000,000.00</b>	<b>100,000,000.00</b>	<b>5.91%</b>	<b>100,000,000.00</b>	<b>100,207,750.00</b>	<b>7.46%</b>				
<b>Municipal Bonds</b>										
Santa Clara County (GO)	2,469,263.40	2,438,454.05	1.39%	2,430,000.00	2,389,613.40	0.18%	100.00%	03/03/22	08/01/24	NA/AAA/AA+
State of California	15,109,085.00	15,059,914.03	4.15%	15,200,000.00	14,940,080.00	1.12%	100.00%	01/20/23	04/01/25	Aa2/AA-/AA
University of Calif	9,430,824.50	8,869,989.41	0.92%	8,600,000.00	8,391,966.00	0.66%	100.00%	04/01/21	07/01/25	Aa2/AA/AA
Suc Agc City & County San Fran	4,299,555.00	4,271,628.14	1.23%	4,250,000.00	4,037,967.50	0.32%	100.00%	12/15/21	08/01/25	NA/AA/NA
Cabrillo Comm College GO	1,172,879.19	1,191,305.08	3.50%	1,215,000.00	1,167,821.55	0.09%	100.00%	08/25/22	08/01/25	Aa2/AA/NA
HAWAII ST	10,004,713.06	10,000,000.00	0.89%	10,000,000.00	9,151,100.00	0.75%	100.00%	08/20/21	08/01/26	Aa2/AA+/AA
Los Angeles Community College	5,000,507.78	4,990,979.66	1.25%	5,000,000.00	4,593,350.00	0.37%	100.00%	11/15/21	08/01/26	Aaa/AA+/NA
University of Calif	6,284,390.00	6,393,753.98	4.13%	7,000,000.00	6,338,640.00	0.48%	100.00%	05/22/23	05/15/27	Aa2/AA/AA
University of Calif	2,706,569.00	2,751,826.97	3.99%	3,000,000.00	2,716,560.00	0.21%	100.00%	05/18/23	05/15/27	Aa2/AA/AA
State of California	13,090,641.67	13,197,528.49	5.10%	15,000,000.00	13,601,241.67	0.98%	100.00%	05/18/23	02/01/28	Aa2/AA-/AA
<b>Total Municipal Bonds</b>	<b>69,568,428.60</b>	<b>69,165,379.81</b>	<b>2.94%</b>	<b>71,695,000.00</b>	<b>67,328,340.12</b>	<b>5.16%</b>				
<b>Checking (4)</b>										
<b>US Bank Checking</b>	<b>8,622,960.31</b>	<b>8,622,960.31</b>	<b>0.01%</b>	<b>8,622,960.31</b>	<b>8,622,960.31</b>	<b>0.64%</b>	<b>100.00%</b>	<b>NA</b>	<b>NA</b>	<b>NA/NA/NA</b>
<b>Total Checking</b>	<b>8,622,960.31</b>	<b>8,622,960.31</b>	<b>0.01%</b>	<b>8,622,960.31</b>	<b>8,622,960.31</b>	<b>0.64%</b>				
<b>Money Market Funds (3)</b>										
US Bank CDA	50,000,000.00	50,000,000.00	5.22%	50,000,000.00	50,000,000.00	3.73%	20.00%	NA	NA	NA/NA/NA
Bank of the West MMF	15,667,598.64	15,667,598.64	4.79%	15,667,598.64	15,667,598.64	1.17%	100.00%	NA	NA	NA/NA/NA
US Bank Custodial	0.00	0.00	5.31%	0.00	0.00	0.00%	100.00%	NA	NA	NA/NA/NA
<b>Total Money Market Funds</b>	<b>65,667,598.64</b>	<b>65,667,598.64</b>	<b>5.12%</b>	<b>65,667,598.64</b>	<b>65,667,598.64</b>	<b>4.90%</b>				
<b>Miscellaneous Investments</b>										
LAI (General Fund)	10,441.17	10,441.17	3.90%	10,441.17	10,441.17	0.00%	10.00%	NA	NA	NA/NA/NA
CAMP	249,283,539.61	249,283,539.61	5.58%	249,283,539.61	249,283,539.61	18.60%	25.00%	NA	NA	NA/AAm/NA
<b>Total Misc. Investments</b>	<b>249,293,980.78</b>	<b>249,293,980.78</b>	<b>5.58%</b>	<b>249,293,980.78</b>	<b>249,293,980.78</b>	<b>18.60%</b>				
<b>GRAND TOTAL</b>	<b>\$1,341,150,237.81</b>	<b>\$1,340,198,157.69</b>	<b>3.95%</b>	<b>\$1,352,369,539.73</b>	<b>\$1,330,350,017.83</b>	<b>100%</b>				

- (1) Market Value pricing obtained from US Bank safekeeper (custodial bank)
- (2) Split ratings reflect ratings from Moodys, S&P, and Fitch
- (3) Money Market Mutual Fund/LAI (General Fund) balances do not include current month interest
- (4) Checking account balances excluded in other reports to focus on investment performance
- (5) Percentage calculated based off of Book Value

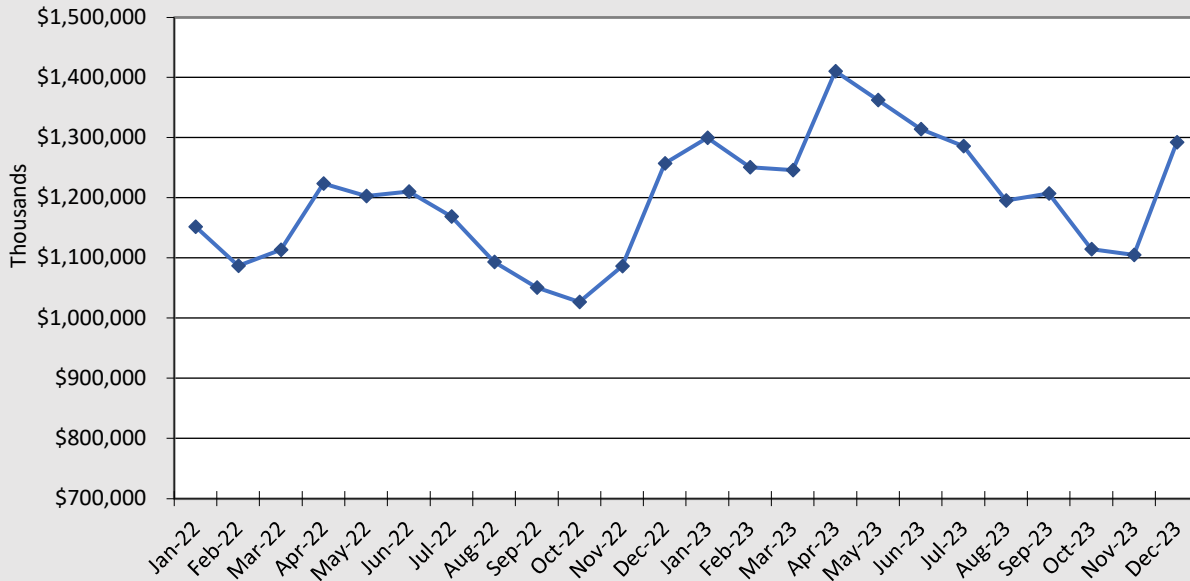
# County of Santa Cruz Investment Pool

## Portfolio Size and Composition

December 31, 2023

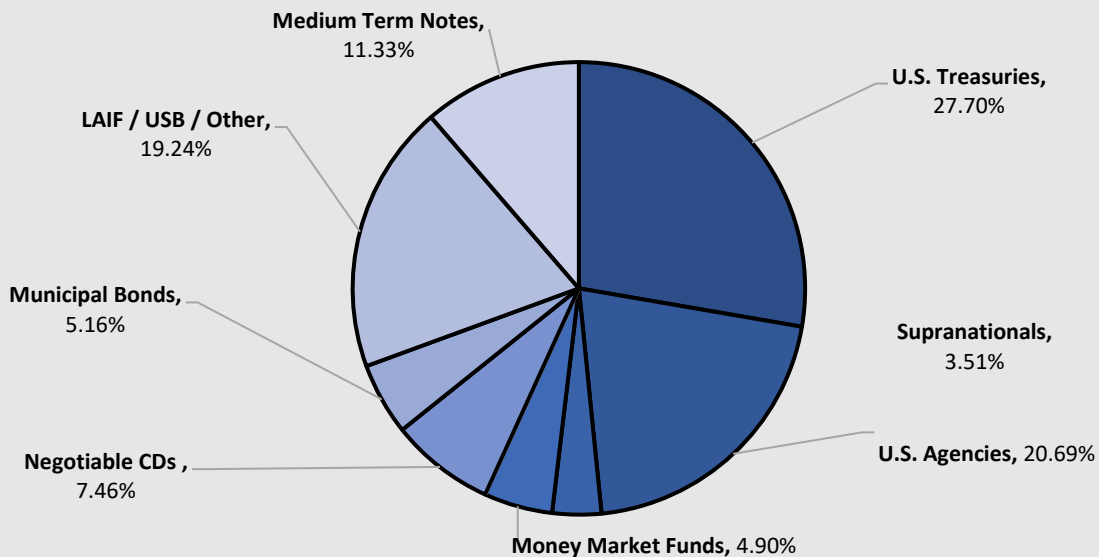
### Monthly Portfolio Balance Trend

Historic review of monthly balance trends from January 2022 to December 2023. Two years ago, portfolio balances were approximately \$1.2 billion compared to our reported amount of \$1.3 billion.



### Portfolio Composition

Investment breakdown of the County Investment Pool as of December 2023. U.S Treasury and U.S Agency bonds are approximately 48% of the portfolio. Treasury bonds are one of the safest and most liquid investments in the United States, rated as prime/high investment grade securities.





# County of Santa Cruz Investment Pool

Portfolio Net Yield

December 31, 2023

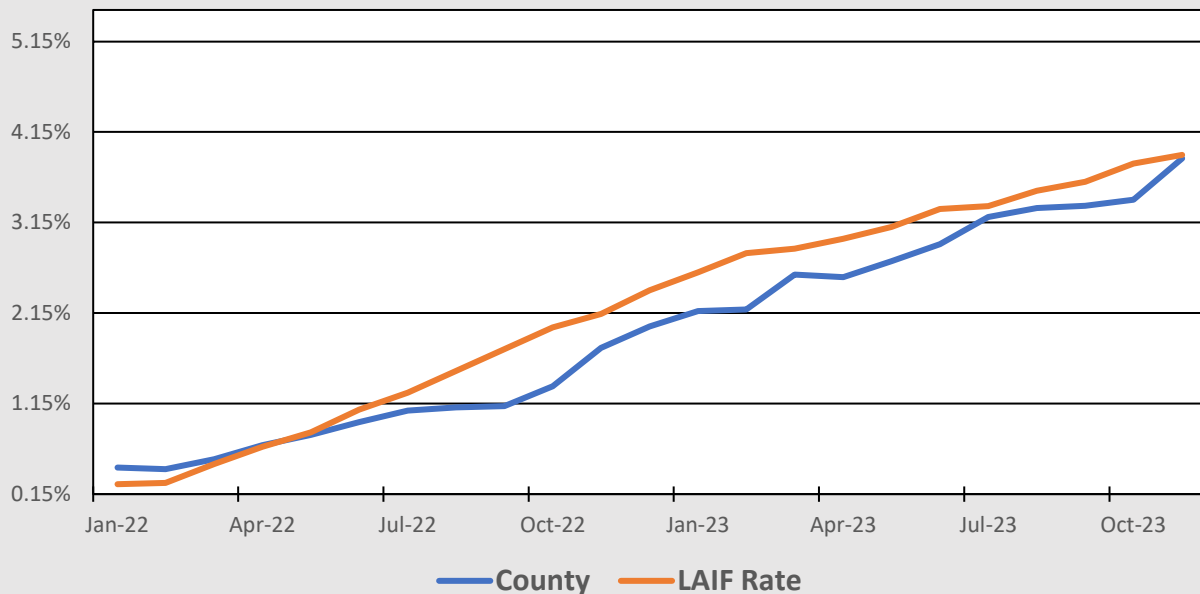
## Apportionment Rate History

Current and historic review of the County Investment Pool with our closest benchmark, LAIF (Local Agency Investment Fund) managed by the State of California. As of December 2023, the apportionment rate of the County Investment Pool is a 3.86% yield, versus a 3.90% yield from LAIF.

<i>Date</i>	<i>County</i>	<i>LAIF</i>	<i>Difference</i>
<b>Dec-22</b>	1.76%	2.14%	-0.38%
<b>Jan-23</b>	2.00%	2.40%	-0.40%
<b>Feb-23</b>	2.17%	2.60%	-0.43%
<b>Mar-23</b>	2.19%	2.81%	-0.62%
<b>Apr-23</b>	2.58%	2.86%	-0.28%
<b>May-23</b>	2.55%	2.97%	-0.42%
<b>Jun-23</b>	2.72%	3.10%	-0.38%
<b>Jul-23</b>	2.91%	3.30%	-0.39%
<b>Aug-23</b>	3.21%	3.33%	-0.12%
<b>Sep-23</b>	3.31%	3.50%	-0.19%
<b>Oct-23</b>	3.34%	3.60%	-0.26%
<b>Nov-23</b>	3.40%	3.80%	-0.40%
<b>Dec-23</b>	3.86%	3.90%	-0.04%

## Net Yield Trend

Yields are tracked on a monthly basis between the County Investment Pool (blue) and LAIF (orange), our closest benchmark. Participants of LAIF are exclusively California Local Agencies and Special Districts, per section 16429.1 of the CA gov code. LAIF's investment portfolio is over \$30 billion.



# County of Santa Cruz Investment Pool

## Maturity Distribution

December 31, 2023

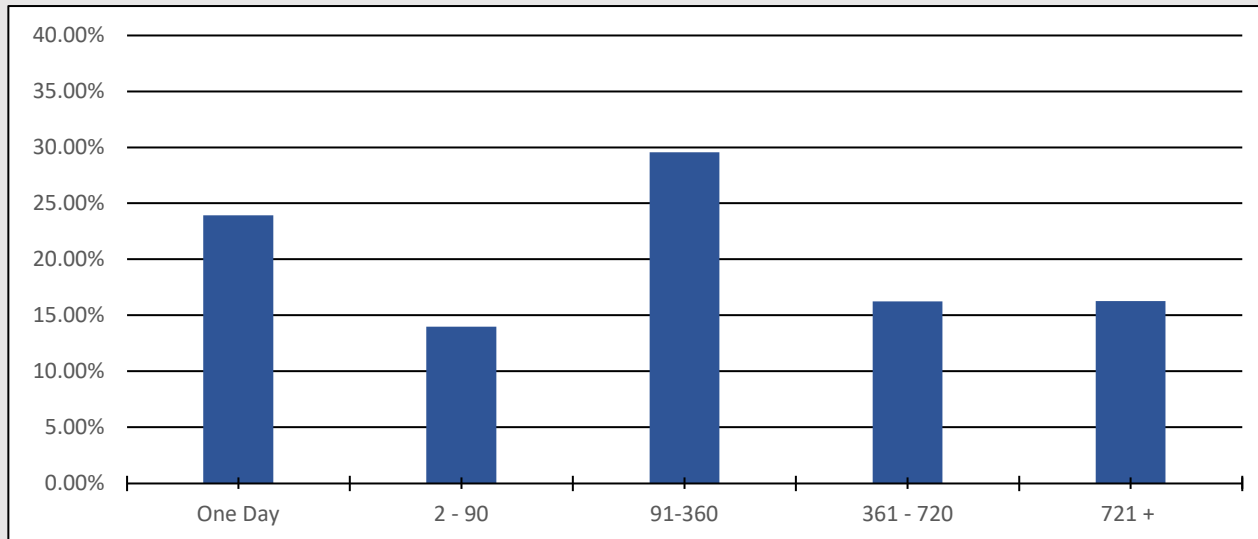
### Maturity Classification and Liquidity Review

Investment breakdown based on maturity, as of December 2023. Upon maturity date, the portfolio will receive the investment's face value in cash. These values inherently effect the portfolio's WAM (Weighted Average Maturity) calculated in days, as well as the overall Duration. As of December 31, 2023, the portfolio's average investment takes approximately 327 days to mature.

Category:	Current Reported Values:	Historic Values: <i>Last Quarter   Last Year   Last 2 yrs.</i>		
	December 31, 2023	9/30/23	12/31/22	12/31/21
One Day	23.93%	27.56%	24.23%	8.93%
2 - 90	14.00%	16.04%	8.06%	5.69%
91-360	29.56%	32.26%	32.01%	23.67%
361 - 720	16.25%	13.10%	23.29%	38.81%
721 +	16.27%	11.04%	12.41%	22.91%
<b>WAM</b>	327	256	316	497
<b>Duration</b>	0.91	0.71	0.88	1.27

### Portfolio Maturity Distribution

Current allocation of maturities as of December 2023. Most fixed-income investments mature within the age range of 91 - 360 days. The County Investment Pool is currently very liquid, holding around 37.9% of Cash, and Cash-Equivalent securities (bonds and other investments maturing within 90 days).



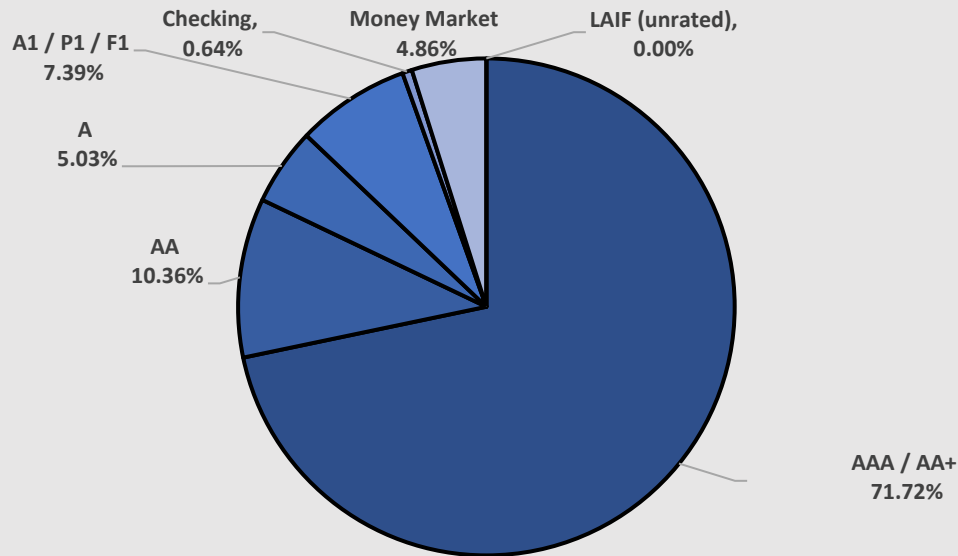
# County of Santa Cruz Investment Pool

Credit Quality

December 31, 2023

## Credit Rating Composition

Safety is the primary objective within the County Investment Pool, and CA state codes 27000.5 and 53600.5. As of December 2023, 79% of the portfolio is invested in the highest rated securities (AAA for long term, and A1 / P1 / F1 for short term). Counties within the State of California have strict investment standards and can only invest in highly rated, investment grade securities.



## Credit Breakdown

Current and historic values based on credit rating and outstanding cash accounts. The State of California's LAIF fund is unrated, but is governed by the same investment restrictions as the County Investment Pool, per CA government codes 16430 and 16480.4.

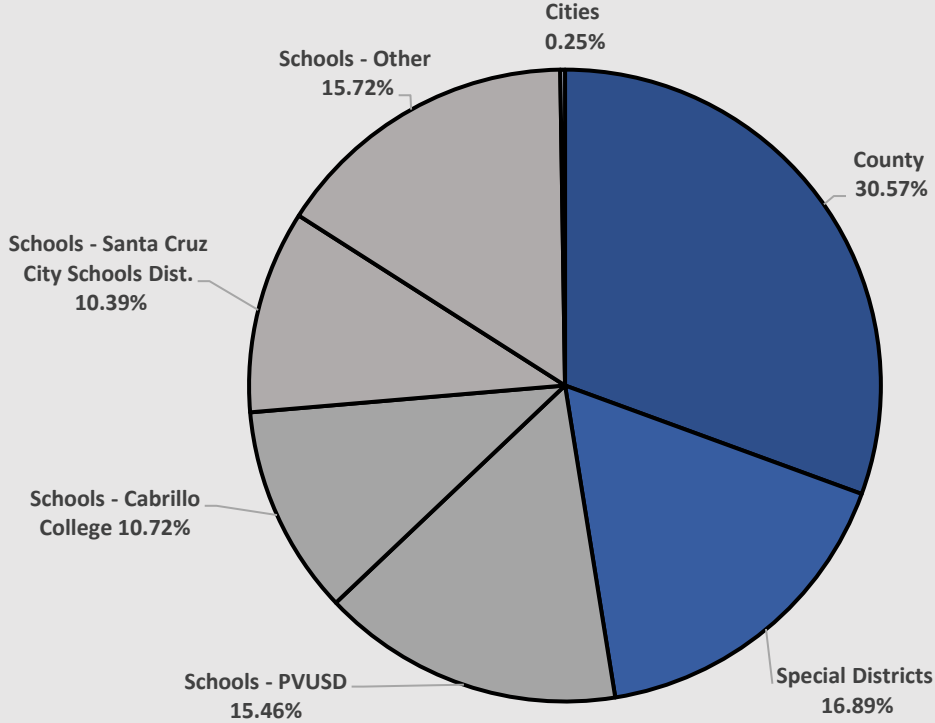
Rating Category	Current Reported Values:		Historic Values:		
	December 31, 2023		Last Quarter   Last Year   Last 2 yrs.		
	\$ (mm)	%	9/30/23	12/31/22	12/31/21
AAA / AA+	\$ 970	71.72%	68.74%	65.00%	61.30%
AA	\$ 140	10.36%	10.79%	6.02%	3.97%
A	\$ 68	5.03%	4.57%	0.60%	1.80%
A1 / P1 / F1	\$ 100	7.39%	9.49%	4.15%	12.02%
Checking	\$ 9	0.64%	0.74%	2.37%	2.04%
Money Market	\$ 66	4.86%	5.67%	21.86%	9.86%
LAIF (unrated)	\$ 0	0.00%	0.00%	0.00%	9.01%

# County of Santa Cruz Investment Pool

Source of Funds  
December 31, 2023

## Source of Funds Composition

The County Investment Pool is composed of four main participants: County School Districts, Special Districts within Santa Cruz County, County Funds, and Cities within Santa Cruz County.



## Funds Breakdown

The largest participant with the highest deposited funds is the Schools category. This category holds 52% of the County Investment Pool. The second largest participant is the County category, which consists of around 31% of the County Investment Pool.

Participant Category	Current Reported Values:	Historic Values:		
	June 30, 2023	3/31/23	6/30/22	6/30/21
County	30.57%	30.13%	31.97%	32.55%
Special Districts	16.89%	17.87%	18.00%	19.16%
Schools	52.29%	51.65%	49.83%	47.94%
Cities	0.25%	0.34%	0.20%	0.35%

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## DETAILED LIST OF INVESTMENTS OUTSTANDING

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As of December 31, 2023

### REPORT DESCRIPTION

The **Detailed List of Investments Outstanding** lists active investments in the portfolio on a specific date providing information on the market values, book values, interest rates and yields. It is arranged so that the securities of the same type are grouped together. What follows is a description of the abbreviations used in the report.

**CUSIP** – The CUSIP number is a 9-character alphanumeric code which identifies a North American financial security for the purposes of facilitating clearing and settlement of trades.

**INVESTMENT NUMBER** – This is a unique system-generated number assigned to the security. Assigned by the County for internal identification purposes.

**ISSUER** – The issuer named is the name of the institution which issued the bond.

**PURCHASE DATE** – This is the date on which the security was purchased.

**PAR VALUE** – The nominal or face value of a bond. This is the amount that will be received at maturity with accrued interest. It is also the amount that is used in calculating the interest received on the bond.

**MARKET VALUE** – Market value is the dollar amount the security could have been sold for on the report date. By comparing this number to the book value one is able to determine what, if any, loss or gain we would realize if we were to sell the bond in the open market.

**BOOK VALUE** – The original cost for each investment adjusted for amortization of premiums or accretions of discounts to the date of the report. Amortizations and accretions are calculated on a straight line basis.

**STATED RATE** – In most cases this is the coupon rate (rate of interest) set on a bond at the issue date by the issuer. If the security has no coupon (discount note, UST Bill or CP) then the stated rate is the yield to maturity on the date that the bond is purchased. The stated rate is not intended for comparing yields between different investments because the item may have been purchased at a discount or premium to par.

**YTM** – This is the Yield to Maturity. This is what the yield will be on the bond if it is held to maturity.

**DAYS TO MATURITY** – This is the number of days remaining between the report date and the maturity date.

**MATURITY DATE** – The maturity date is the date when a bond matures. On the maturity date an issuer of a security will pay the holder of the security the par value plus any accrued interest earned on the security from the date of last distribution.

**County of Santa Cruz  
Portfolio Management  
Portfolio Summary  
December 31, 2023**

<b>Investments</b>	<b>Par Value</b>	<b>Market Value</b>	<b>Book Value</b>	<b>% of Portfolio</b>	<b>Term</b>	<b>Days to Maturity</b>	<b>YTM 360 Equiv.</b>	<b>YTM 365 Equiv.</b>
U.S. Treasury Notes/ Bonds	274,000,000.00	268,632,380.80	267,710,066.77	20.10	902	574	3.450	3.498
Federal Agency Issues - Coupon	277,270,000.00	271,742,368.30	277,286,285.23	20.82	975	316	2.331	2.363
Medium Term Notes	153,820,000.00	150,293,008.88	151,871,796.05	11.41	1,030	644	3.802	3.855
Negotiable CDs	100,000,000.00	100,207,750.00	100,000,000.00	7.51	252	163	5.830	5.911
Municipal Bonds	71,695,000.00	67,328,340.12	69,165,379.81	5.19	1,384	874	2.900	2.940
Local Agency Investment Fund (LAIF)	10,441.17	10,441.17	10,441.17	0.00	1	1	3.847	3.900
Treasury Discounts -Amortizing	105,000,000.00	103,587,250.00	103,562,169.32	7.78	160	95	5.380	5.455
Supranationals	47,000,000.00	44,974,380.00	47,017,920.78	3.53	1,415	422	0.533	0.540
Money Market Mutual Funds 02	314,951,138.25	314,951,138.25	314,951,138.25	23.65	1	1	5.408	5.484
<b>Investments</b>	<b>1,343,746,579.42</b>	<b>1,321,727,057.52</b>	<b>1,331,575,197.38</b>	<b>100.00%</b>	<b>655</b>	<b>335</b>	<b>3.918</b>	<b>3.972</b>

<b>Total Earnings</b>	<b>December 31 Period Ending</b>
Current Year	10,840,386.81
<b>Average Daily Balance</b>	<b>1,171,115,183.86</b>
<b>Effective Rate of Return</b>	<b>3.67%</b>

Santa Cruz County Treasurer,

**County of Santa Cruz  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>U.S. Treasury Notes/ Bonds</b>												
9128285Z9	22406	US Treasury N/B		03/03/2021	17,000,000.00	16,960,900.00	17,031,324.53	2.500	0.245	0.248	30	01/31/2024
912828WJ5	22483	US Treasury N/B		02/07/2023	20,000,000.00	19,804,600.00	19,834,621.36	2.500	4.763	4.830	135	05/15/2024
912828D56	22517	US Treasury N/B		12/28/2023	30,000,000.00	29,771,479.08	29,774,259.56	2.375	4.986	5.055	227	08/15/2024
91282CBM2	22403	U.S.Trust		02/17/2021	20,000,000.00	19,875,800.00	19,997,780.62	0.125	0.212	0.215	45	02/15/2024
91282CBE0	22411	U.S.Trust		04/05/2021	22,000,000.00	21,959,520.00	21,998,494.61	0.125	0.300	0.304	14	01/15/2024
91282CCC3	22416	U.S.Trust		05/20/2021	15,000,000.00	14,730,450.00	14,996,012.30	0.250	0.318	0.322	135	05/15/2024
91282CFE6	22502	U.S.Trust		09/26/2023	20,000,000.00	19,672,931.52	19,453,769.84	3.125	5.077	5.147	592	08/15/2025
91282CCL3	22505	U.S.Trust		10/10/2023	25,000,000.00	24,402,913.72	24,361,503.44	0.375	5.396	5.471	196	07/15/2024
91282CCW9	22507	U.S.Trust		10/18/2023	15,000,000.00	13,766,835.16	13,449,732.92	0.750	4.936	5.005	973	08/31/2026
91282CFB2	22514	U.S.Trust		12/12/2023	20,000,000.00	19,398,671.74	19,123,006.29	2.750	4.333	4.393	1,307	07/31/2027
91282CFH9	22515	U.S.Trust		12/12/2023	20,000,000.00	19,614,454.40	19,330,905.62	3.125	4.328	4.388	1,338	08/31/2027
91282CCH2	22516	U.S.Trust		12/12/2023	20,000,000.00	17,948,092.39	17,622,880.41	1.250	4.270	4.329	1,642	06/30/2028
91282CJC6	22518	U.S.Trust		12/28/2023	30,000,000.00	30,725,732.79	30,735,775.27	4.625	3.986	4.042	1,018	10/15/2026
<b>Subtotal and Average</b>			<b>160,832,627.78</b>		<b>274,000,000.00</b>	<b>268,632,380.80</b>	<b>267,710,066.77</b>		<b>3.450</b>	<b>3.498</b>	<b>574</b>	
<b>Federal Agency Issues - Coupon</b>												
3133EMNF5	22399	Federal Farm Credit Bank		01/27/2021	20,000,000.00	19,162,200.00	20,010,633.33	0.375	0.319	0.323	380	01/15/2025
3133EMNG3	22401	Federal Farm Credit Bank		02/03/2021	18,000,000.00	17,956,800.00	18,000,230.99	0.230	0.201	0.204	18	01/19/2024
3130APGN9	22427	Federal Home Loan Bank		10/28/2021	15,000,000.00	13,738,050.00	15,000,000.00	1.150	1.134	1.150	1,031	10/28/2026
3130APYX7	22442	Federal Home Loan Bank		11/30/2021	20,000,000.00	19,650,800.00	20,000,000.00	0.800	0.789	0.800	144	05/24/2024
3130AQJ38	22455	Federal Home Loan Bank		01/25/2022	25,000,000.00	24,384,500.00	25,000,000.00	1.050	1.036	1.050	206	07/25/2024
3130ARQ46	22464	Federal Home Loan Bank		04/28/2022	10,000,000.00	9,898,000.00	10,000,000.00	2.720	2.683	2.721	148	05/28/2024
3130A1XJ2	22471	Federal Home Loan Bank		05/13/2022	29,270,000.00	28,956,518.30	29,292,870.35	2.875	2.659	2.696	165	06/14/2024
3130ASRB7	22473	Federal Home Loan Bank		07/29/2022	15,000,000.00	14,980,650.00	15,000,000.00	3.400	3.354	3.400	25	01/26/2024
3137EAEX3	22398	Fed.Home Loan Mtg.Corp		12/22/2020	15,000,000.00	13,999,950.00	14,982,550.56	0.375	0.437	0.443	631	09/23/2025
3134GXRF3	22466	Fed.Home Loan Mtg.Corp		04/29/2022	25,000,000.00	24,648,000.00	25,000,000.00	2.625	2.590	2.626	210	07/29/2024
3134GXTA2	22469	Fed.Home Loan Mtg.Corp		05/26/2022	20,000,000.00	19,706,600.00	20,000,000.00	3.050	3.010	3.051	238	08/26/2024
3134GXJ54	22474	Fed.Home Loan Mtg.Corp		07/29/2022	20,000,000.00	19,834,600.00	20,000,000.00	3.650	3.600	3.650	207	07/26/2024
3134GXX94	22475	Fed.Home Loan Mtg.Corp		08/15/2022	20,000,000.00	19,741,200.00	20,000,000.00	4.050	3.995	4.050	592	08/15/2025
3135GAK42	22506	Federal National Mort. Assoc.		10/16/2023	25,000,000.00	25,084,500.00	25,000,000.00	5.640	5.568	5.645	562	07/16/2025
<b>Subtotal and Average</b>			<b>298,553,540.92</b>		<b>277,270,000.00</b>	<b>271,742,368.30</b>	<b>277,286,285.23</b>		<b>2.331</b>	<b>2.363</b>	<b>316</b>	
<b>Medium Term Notes</b>												
037833EB2	22493	Apple Inc		07/17/2023	10,000,000.00	9,261,700.00	9,254,013.90	0.700	4.438	4.500	769	02/08/2026
06048WQ60	22440	Bank of America		12/03/2021	20,000,000.00	19,535,800.00	20,000,000.00	1.000	0.986	1.000	154	06/03/2024
06048WT91	22457	Bank of America		03/10/2022	10,000,000.00	9,579,200.00	10,000,000.00	2.350	2.318	2.350	434	03/10/2025

**County of Santa Cruz  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Medium Term Notes</b>												
06051GFB0	22467	Bank of America		04/22/2022	3,276,000.00	3,273,313.68	3,278,096.64	4.125	2.948	2.988	21	01/22/2024
06048WV31	22470	Bank of America		04/29/2022	10,000,000.00	9,887,400.00	10,000,000.00	3.100	3.058	3.100	119	04/29/2024
06055JCH0	22501	Bank of America		09/25/2023	15,000,000.00	14,985,000.00	15,000,000.00	6.000	5.918	6.000	998	09/25/2026
14912L6C0	22465	Caterpillar Financial Services		04/14/2022	3,000,000.00	2,970,720.00	3,008,587.05	3.300	2.588	2.624	160	06/09/2024
48130CBC8	22492	Chase Bank		06/12/2023	15,000,000.00	15,017,400.00	15,000,000.00	5.250	5.178	5.250	893	06/12/2026
48130CDD4	22509	Chase Bank		11/15/2023	15,000,000.00	15,139,350.00	15,000,000.00	6.000	5.918	6.000	1,780	11/15/2028
458140AS9	22499	Intel Corporation		07/20/2023	10,000,000.00	9,841,200.00	9,820,406.04	3.700	4.842	4.909	575	07/29/2025
58933YAY1	22425	Merck & Co Inc		09/24/2021	5,000,000.00	4,634,800.00	4,984,248.30	0.750	0.888	0.900	785	02/24/2026
594918BB9	22462	Microsoft Corp		04/06/2022	17,544,000.00	17,167,505.76	17,563,542.07	2.700	2.559	2.595	408	02/12/2025
89236THP3	22495	Toyota Motor Credit Corp		07/17/2023	10,000,000.00	9,346,500.00	9,322,311.50	0.800	4.774	4.840	654	10/16/2025
89236TJT3	22498	Toyota Motor Credit Corp		07/20/2023	10,000,000.00	9,653,119.44	9,640,590.55	1.450	5.065	5.135	378	01/13/2025
<b>Subtotal and Average</b>			<b>144,399,241.47</b>		<b>153,820,000.00</b>	<b>150,293,008.88</b>	<b>151,871,796.05</b>	<b>3.802</b>	<b>3.855</b>	<b>644</b>		
<b>Negotiable CDs</b>												
85325VHX1	22503	Standard Charter Ny		10/03/2023	25,000,000.00	25,101,500.00	25,000,000.00	6.010	6.010	6.093	246	09/03/2024
85325VGJ3	22497	Standard Chartered		07/17/2023	25,000,000.00	25,012,000.00	25,000,000.00	5.820	5.820	5.901	51	02/21/2024
87019WSB2	22511	Swedbank NY		11/14/2023	25,000,000.00	25,027,000.00	25,000,000.00	5.720	5.720	5.799	128	05/08/2024
89115BKH2	22510	Toronto Dominion Bank		11/14/2023	25,000,000.00	25,067,250.00	25,000,000.00	5.770	5.770	5.850	228	08/16/2024
<b>Subtotal and Average</b>			<b>118,260,869.57</b>		<b>100,000,000.00</b>	<b>100,207,750.00</b>	<b>100,000,000.00</b>	<b>5.830</b>	<b>5.911</b>	<b>163</b>		
<b>Municipal Bonds</b>												
127109QB5	22477	Cabrillo Comm College GO		08/25/2022	1,215,000.00	1,167,821.55	1,191,305.08	2.194	3.452	3.500	578	08/01/2025
13063DGB8	22480	State of California		01/20/2023	15,200,000.00	14,940,080.00	15,059,914.03	3.375	4.095	4.152	456	04/01/2025
13063DC48	22504	State of California		10/06/2023	15,000,000.00	13,601,241.67	13,197,528.49	1.700	5.030	5.100	1,492	02/01/2028
419792YR1	22421	HAWAII ST		08/20/2021	10,000,000.00	9,151,100.00	10,000,000.00	0.893	0.881	0.893	943	08/01/2026
54438CYL0	22439	Los Angeles Community College		11/15/2021	5,000,000.00	4,593,350.00	4,990,979.66	1.174	1.229	1.246	943	08/01/2026
801546QU9	22456	COUNTY OF SANTA CLARA		03/03/2022	2,430,000.00	2,389,613.40	2,438,454.05	2.000	1.372	1.391	213	08/01/2024
79770GJB3	22445	Suc Agc City & County San Fran		12/15/2021	4,250,000.00	4,037,967.50	4,271,628.14	1.561	1.214	1.231	578	08/01/2025
91412GU94	22410	University of Calif		04/01/2021	8,600,000.00	8,391,966.00	8,869,989.41	3.063	0.911	0.924	547	07/01/2025
91412HGF4	22489	University of Calif		05/18/2023	3,000,000.00	2,716,560.00	2,751,826.97	1.316	3.939	3.994	1,230	05/15/2027
91412HGF4	22490	University of Calif		05/22/2023	7,000,000.00	6,338,640.00	6,393,753.98	1.316	4.071	4.127	1,230	05/15/2027
<b>Subtotal and Average</b>			<b>68,377,972.87</b>		<b>71,695,000.00</b>	<b>67,328,340.12</b>	<b>69,165,379.81</b>	<b>2.900</b>	<b>2.940</b>	<b>874</b>		
<b>Local Agency Investment Fund (LAIF)</b>												
SYS6501	6501	LAIF (General Fund)			10,441.17	10,441.17	10,441.17	3.900	3.847	3.900	1	



**County of Santa Cruz  
Portfolio Management  
Portfolio Details - Investments  
December 31, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity	Maturity Date
<b>Subtotal and Average</b>			<b>10,429.04</b>		<b>10,441.17</b>	<b>10,441.17</b>	<b>10,441.17</b>		<b>3.847</b>	<b>3.900</b>	<b>1</b>	
<b>Dividends</b>												
SYS22423	22423	US Bank			0.00	0.00	0.00	5.240	5.240	5.313	1	
<b>Subtotal and Average</b>			<b>678.51</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.000</b>	<b>0.000</b>	<b>0</b>	
<b>Treasury Discounts -Amortizing</b>												
912797GC5	22496	U.S. Treasury Bill		07/14/2023	20,000,000.00	19,973,800.00	19,970,955.56	5.228	5.444	5.519	10	01/11/2024
912797FS1	22508	U.S. Treasury Bill		11/07/2023	30,000,000.00	29,313,900.00	29,302,111.67		5.320	5.394	164	06/13/2024
912797HH3	22512	U.S. Treasury Bill		12/01/2023	20,000,000.00	19,653,400.00	19,650,876.67	5.151	5.354	5.428	122	05/02/2024
912797JH1	22513	U.S. Treasury Bill		12/01/2023	35,000,000.00	34,646,150.00	34,638,225.42	5.241	5.409	5.484	71	03/12/2024
<b>Subtotal and Average</b>			<b>56,409,907.32</b>		<b>105,000,000.00</b>	<b>103,587,250.00</b>	<b>103,562,169.32</b>		<b>5.380</b>	<b>5.455</b>	<b>95</b>	
<b>Supranationals</b>												
4581X0CF3	22407	Inter-American Devel Bank		03/15/2021	14,000,000.00	13,951,560.00	14,050,809.66	3.000	0.365	0.370	51	02/21/2024
459058JL8	22404	Int Bank of Recon & Developmen		02/18/2021	18,000,000.00	16,774,920.00	17,967,111.12	0.500	0.593	0.602	666	10/28/2025
459058JB0	22420	Int Bank of Recon & Developmen		07/15/2021	15,000,000.00	14,247,900.00	15,000,000.00	0.625	0.616	0.625	477	04/22/2025
<b>Subtotal and Average</b>			<b>57,625,532.27</b>		<b>47,000,000.00</b>	<b>44,974,380.00</b>	<b>47,017,920.78</b>		<b>0.533</b>	<b>0.540</b>	<b>422</b>	
<b>Money Market Mutual Funds 02</b>												
070731229	1229	Bank of the West		12/07/2022	15,667,598.64	15,667,598.64	15,667,598.64	4.790	4.724	4.790	1	
SYS011119	22302	CAMP		01/11/2019	249,283,539.61	249,283,539.61	249,283,539.61	5.580	5.504	5.580	1	
157 519 832 743	22283	US Bank MMMF		10/23/2018	50,000,000.00	50,000,000.00	50,000,000.00	5.220	5.148	5.220	1	
<b>Subtotal and Average</b>			<b>266,644,384.10</b>		<b>314,951,138.25</b>	<b>314,951,138.25</b>	<b>314,951,138.25</b>		<b>5.408</b>	<b>5.484</b>	<b>1</b>	
<b>Total and Average</b>			<b>1,171,115,183.86</b>		<b>1,343,746,579.42</b>	<b>1,321,727,057.52</b>	<b>1,331,575,197.38</b>		<b>3.918</b>	<b>3.972</b>	<b>335</b>	

**County of Santa Cruz  
Portfolio Management  
Portfolio Details - Cash  
December 31, 2023**

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	YTM 365	Days to Maturity
Average Balance			0.00								0
Total Cash and Investments			1,171,115,183.86		1,343,746,579.42	1,321,727,057.52	1,331,575,197.38		3.918	3.972	335

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# Securities Activity By Broker

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A Report on the

Investment Transactions by Broker-Dealer  
For the Period Indicated

**County of Santa Cruz  
Activity Report  
Sorted By Dealer  
October 1, 2023 - December 31, 2023**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value	
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance
<b>Dealer: Academy Securities</b>									
<b>U.S. Treasury Notes/ Bonds</b>									
91282CCL3	22505	U.S.Trust			* 0.375	10/10/2023	25,000,000.00	0.00	
91282CCW9	22507	U.S.Trust			* 0.750	10/18/2023	15,000,000.00	0.00	
91282CFB2	22514	U.S.Trust			* 2.750	12/12/2023	20,000,000.00	0.00	
91282CFH9	22515	U.S.Trust			* 3.125	12/12/2023	20,000,000.00	0.00	
912828D56	22517	US Treasury N/B			* 2.375	12/28/2023	30,000,000.00	0.00	
		<b>Subtotal and Balance</b>		<b>0.00</b>			<b>110,000,000.00</b>	<b>0.00</b>	<b>110,000,000.00</b>
<b>Federal Agency Issues - Coupon</b>									
3135GAK42	22506	Federal National Mort. Assoc.			5.640	10/16/2023	25,000,000.00	0.00	
		<b>Subtotal and Balance</b>		<b>0.00</b>			<b>25,000,000.00</b>	<b>0.00</b>	<b>25,000,000.00</b>
<b>Medium Term Notes</b>									
48130CDD4	22509	Chase Bank			6.000	11/15/2023	15,000,000.00	0.00	
		<b>Subtotal and Balance</b>		<b>0.00</b>			<b>15,000,000.00</b>	<b>0.00</b>	<b>15,000,000.00</b>
<b>Treasury Discounts -Amortizing</b>									
912797HH3	22512	U.S. Treasury Bill			5.151	12/01/2023	20,000,000.00	0.00	
		<b>Subtotal and Balance</b>		<b>0.00</b>			<b>20,000,000.00</b>	<b>0.00</b>	<b>20,000,000.00</b>
		<b>Dealer Subtotal</b>	<b>12.651%</b>	<b>0.00</b>			<b>170,000,000.00</b>	<b>0.00</b>	<b>170,000,000.00</b>
<b>Dealer: Bank of the West</b>									
<b>Money Market Mutual Funds 02</b>									
070731229	1229	Bank of the West			4.790		212,852.72	0.00	
		<b>Subtotal and Balance</b>		<b>15,454,745.92</b>			<b>212,852.72</b>	<b>0.00</b>	<b>15,667,598.64</b>
		<b>Dealer Subtotal</b>	<b>1.166%</b>	<b>15,454,745.92</b>			<b>212,852.72</b>	<b>0.00</b>	<b>15,667,598.64</b>
<b>Dealer: CAMP</b>									

\*Matured, Redemption, Coupon Rate, or Withdrawal

County of Santa Cruz  
Activity Report  
October 1, 2023 - December 31, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
<b>Dealer: CAMP</b>									
<b>Money Market Mutual Funds 02</b>									
SYS011119	22302	CAMP			5.550		532,784,453.66	528,624,164.70	
		<b>Subtotal and Balance</b>		<b>245,123,250.65</b>			<b>532,784,453.66</b>	<b>528,624,164.70</b>	<b>249,283,539.61</b>
		<b>Dealer Subtotal</b>	<b>18.551%</b>	<b>245,123,250.65</b>			<b>532,784,453.66</b>	<b>528,624,164.70</b>	<b>249,283,539.61</b>
<b>Dealer: Cantor, Fitzgerald L.P.</b>									
<b>U.S. Treasury Notes/ Bonds</b>									
		<b>Subtotal and Balance</b>		<b>42,000,000.00</b>					<b>42,000,000.00</b>
<b>Federal Agency Issues - Coupon</b>									
		<b>Subtotal and Balance</b>		<b>20,000,000.00</b>					<b>20,000,000.00</b>
<b>Medium Term Notes</b>									
		<b>Subtotal and Balance</b>		<b>35,000,000.00</b>					<b>35,000,000.00</b>
		<b>Dealer Subtotal</b>	<b>7.219%</b>	<b>97,000,000.00</b>			<b>0.00</b>	<b>0.00</b>	<b>97,000,000.00</b>
<b>Dealer: Jeffries &amp; Company, INC</b>									
<b>U.S. Treasury Notes/ Bonds</b>									
		<b>Subtotal and Balance</b>		<b>15,000,000.00</b>					<b>15,000,000.00</b>
<b>Federal Agency Issues - Coupon</b>									
3134GW6E1	22389	Fed.Home Loan Mtg.Corp			* 0.320	11/02/2023	0.00	18,000,000.00	
		<b>Subtotal and Balance</b>		<b>33,000,000.00</b>			<b>0.00</b>	<b>18,000,000.00</b>	<b>15,000,000.00</b>
		<b>Dealer Subtotal</b>	<b>2.233%</b>	<b>48,000,000.00</b>			<b>0.00</b>	<b>18,000,000.00</b>	<b>30,000,000.00</b>
<b>Dealer: Keybank Capital Mark</b>									
<b>Federal Agency Issues - Coupon</b>									
3137EAEY1	22387	Fed.Home Loan Mtg.Corp			* 0.125	10/16/2023	0.00	20,000,000.00	
		<b>Subtotal and Balance</b>		<b>40,000,000.00</b>			<b>0.00</b>	<b>20,000,000.00</b>	<b>20,000,000.00</b>

\*Matured, Redemption, Coupon Rate, or Withdrawal

County of Santa Cruz  
Activity Report  
October 1, 2023 - December 31, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
<b>Dealer: Keybank Capital Mark</b>										
<b>Medium Term Notes</b>										
Subtotal and Balance				10,000,000.00						10,000,000.00
Dealer Subtotal			2.233%	50,000,000.00			0.00	20,000,000.00		30,000,000.00
<b>Dealer: LAIF (General Fund)</b>										
<b>Local Agency Investment Fund (LAIF)</b>										
SYS6501	6501	LAIF (General Fund)			3.900		92.97	0.00		
Subtotal and Balance				10,348.20			92.97	0.00		10,441.17
Dealer Subtotal			0.001%	10,348.20			92.97	0.00		10,441.17
<b>Dealer: Piper Jaffray &amp; Co</b>										
<b>Municipal Bonds</b>										
Subtotal and Balance				1,215,000.00						1,215,000.00
Dealer Subtotal			0.090%	1,215,000.00			0.00	0.00		1,215,000.00
<b>Dealer: Piper Sandler</b>										
<b>U.S. Treasury Notes/ Bonds</b>										
91282CCH2	22516	U.S.Trust			*	1.250	12/12/2023	20,000,000.00	0.00	
Subtotal and Balance				20,000,000.00				20,000,000.00	0.00	40,000,000.00
<b>Municipal Bonds</b>										
13063DC48	22504	State of California			*	1.700	10/06/2023	15,000,000.00	0.00	
Subtotal and Balance				15,200,000.00				15,000,000.00	0.00	30,200,000.00
Dealer Subtotal			5.224%	35,200,000.00				35,000,000.00	0.00	70,200,000.00
<b>Dealer: Prebon</b>										
<b>Federal Agency Issues - Coupon</b>										
Subtotal and Balance				29,270,000.00						29,270,000.00

\*Matured, Redemption, Coupon Rate, or Withdrawal

County of Santa Cruz  
Activity Report  
October 1, 2023 - December 31, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value	
				Beginning Balance	Current Rate			Redemptions or Withdrawals	Ending Balance
<b>Dealer: Prebon</b>									
<b>Negotiable CDs</b>									
21684XD29	22484	Rabobank N.Y.			5.400	11/13/2023	0.00	25,000,000.00	
87019WKT1	22485	Swedbank NY			5.260	12/29/2023	0.00	25,000,000.00	
87019WNN1	22500	Swedbank NY			5.430	10/19/2023	0.00	35,000,000.00	
85325VHX1	22503	Standard Charter Ny			6.010	10/03/2023	25,000,000.00	0.00	
89115BKH2	22510	Toronto Dominion Bank			5.770	11/14/2023	25,000,000.00	0.00	
87019WSB2	22511	Swedbank NY			5.720	11/14/2023	25,000,000.00	0.00	
		<b>Subtotal and Balance</b>					<b>75,000,000.00</b>	<b>85,000,000.00</b>	<b>100,000,000.00</b>
		<b>Dealer Subtotal</b>	<b>9.620%</b>				<b>75,000,000.00</b>	<b>85,000,000.00</b>	<b>129,270,000.00</b>
<b>Dealer: Royal Bank Canada Capital Mrkt</b>									
<b>U.S. Treasury Notes/ Bonds</b>									
91282CJC6	22518	U.S.Trust			4.625	12/28/2023	30,000,000.00	0.00	
		<b>Subtotal and Balance</b>					<b>30,000,000.00</b>	<b>0.00</b>	<b>67,000,000.00</b>
<b>Federal Agency Issues - Coupon</b>									
3137EAEZ8	22392	Fed.Home Loan Mtg.Corp			* 0.250	11/06/2023	0.00	10,000,000.00	
		<b>Subtotal and Balance</b>					<b>0.00</b>	<b>10,000,000.00</b>	<b>63,000,000.00</b>
<b>Medium Term Notes</b>									
		<b>Subtotal and Balance</b>							<b>20,000,000.00</b>
<b>Treasury Discounts -Amortizing</b>									
912796YJ2	22494	US Treasury Bill			5.221	10/05/2023	0.00	20,000,000.00	
912797FS1	22508	U.S. Treasury Bill				11/07/2023	30,000,000.00	0.00	
912797JH1	22513	U.S. Treasury Bill			5.241	12/01/2023	35,000,000.00	0.00	
		<b>Subtotal and Balance</b>					<b>65,000,000.00</b>	<b>20,000,000.00</b>	<b>85,000,000.00</b>
<b>Supranationals</b>									
459058JM6	22394	Int Bank of Recon & Developmen			* 0.250	11/24/2023	0.00	18,000,000.00	
		<b>Subtotal and Balance</b>					<b>0.00</b>	<b>18,000,000.00</b>	<b>33,000,000.00</b>
		<b>Dealer Subtotal</b>	<b>19.944%</b>				<b>95,000,000.00</b>	<b>48,000,000.00</b>	<b>268,000,000.00</b>

\*Matured, Redemption, Coupon Rate, or Withdrawal

County of Santa Cruz  
Activity Report  
October 1, 2023 - December 31, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
<b>Dealer: Raymond James Financial Inc</b>										
<b>Federal Agency Issues - Coupon</b>										
			Subtotal and Balance	10,000,000.00					10,000,000.00	
<b>Medium Term Notes</b>										
			Subtotal and Balance	18,000,000.00					18,000,000.00	
<b>Municipal Bonds</b>										
			Subtotal and Balance	40,280,000.00					40,280,000.00	
<b>Supranationals</b>										
			Subtotal and Balance	14,000,000.00					14,000,000.00	
			Dealer Subtotal	6.123%	82,280,000.00		0.00	0.00	82,280,000.00	
<b>Dealer: Stifel Nicolaus &amp; Co</b>										
<b>Federal Agency Issues - Coupon</b>										
3133ENGW4	22444	Federal Farm Credit Bank			*	0.660	12/13/2023	0.00	15,000,000.00	
			Subtotal and Balance	110,000,000.00				0.00	15,000,000.00	95,000,000.00
<b>Medium Term Notes</b>										
			Subtotal and Balance	55,820,000.00					55,820,000.00	
			Dealer Subtotal	11.224%	165,820,000.00			0.00	15,000,000.00	150,820,000.00
<b>Dealer: US Bank MMMF</b>										
<b>Dividends</b>										
SYS22423	22423	US Bank				5.250		8,037.29	8,037.29	
			Subtotal and Balance	0.00				8,037.29	8,037.29	0.00
<b>Money Market Mutual Funds 02</b>										
157 519 832 743	22283	US Bank MMMF				5.391		70,662,218.10	70,928,797.51	
			Subtotal and Balance	50,266,579.41				70,662,218.10	70,928,797.51	50,000,000.00
			Dealer Subtotal	3.721%	50,266,579.41			70,670,255.39	70,936,834.80	50,000,000.00

\*Matured, Redemption, Coupon Rate, or Withdrawal



County of Santa Cruz  
 Activity Report  
 October 1, 2023 - December 31, 2023

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Par Value		Ending Balance
				Beginning Balance	Current Rate		Purchases or Deposits	Redemptions or Withdrawals	
		Total	100.000%	1,150,639,924.18			978,667,654.74	785,560,999.50	1,343,746,579.42

\*Matured, Redemption, Coupon Rate, or Withdrawal

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# ACCRUED INTEREST REPORT

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As of December 31, 2023

## REPORT DESCRIPTION

The **Accrued Interest Report** shows the amount of interest earned, but not yet received, for each active investment within the portfolio. Within the date range, the report displays the amount of interest accrued as of the report beginning date, the amount of interest earned during the reporting period, the amount of interest recorded as received, and the ending accrued interest. What follows is a description of the report's headings.

**ISSUER** – Issuer is the name of the institution which issued the investment.

**INVESTMENT NUMBER** – The investment number is a unique number that identifies the investment position.

**SECURITY TYPE** – This heading is a three-character code assigned by the program to identify each type of investment.

**PAR VALUE**- The nominal or face value of the security.

**MATURITY DATE** – The maturity date is the date on when an investment will mature.

**CURRENT RATE** – For coupon instruments, the current rate is the coupon or interest rate at the time of purchase. For discount instruments, the current rate is the yield to maturity.

**BEGINNING ACCRUED INTEREST** – This column displays the amount of interest earned, but not yet received, as of the report beginning date.

**INTEREST EARNED** – This column shows the amount of interest earned during the selected reporting period.

**INTEREST RECEIVED** – This column includes the amount of interest posted as received during the selected reporting period.

**ENDING ACCRUED INTEREST** – This column displays the amount of interest earned, but not yet received, as of the report ending date.

**County of Santa Cruz  
Accrued Interest  
Sorted by Security Type - Maturity Date  
October 1, 2023 - December 31, 2023**

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>U.S. Treasury Notes/ Bonds</b>										
91282CBE0	22411	TRC	22,000,000.00	01/15/2024	0.125	5,828.80	0.00	6,875.00	0.00	12,703.80
9128285Z9	22406	TRC	17,000,000.00	01/31/2024	2.500	71,603.26	0.00	106,250.00	0.00	177,853.26
91282CBM2	22403	TRC	20,000,000.00	02/15/2024	0.125	3,192.93	0.00	6,250.00	0.00	9,442.93
912828WJ5	22483	TRC	20,000,000.00	05/15/2024	2.500	188,858.70	0.00	125,701.74	250,000.00	64,560.44
91282CCC3	22416	TRC	15,000,000.00	05/15/2024	0.250	14,164.40	0.00	9,427.63	18,750.00	4,842.03
91282CCL3	22505	TRC	25,000,000.00	07/15/2024	0.375	0.00	0.00	21,144.70	0.00	21,144.70
912828D56	22517	TRC	30,000,000.00	08/15/2024	2.375	0.00	0.00	7,744.56	0.00	7,744.56
91282CFE6	22502	TRC	20,000,000.00	08/15/2025	3.125	8,491.85	0.00	156,250.00	0.00	164,741.85
91282CCW9	22507	TRC	15,000,000.00	08/31/2026	0.750	0.00	0.00	23,179.95	0.00	23,179.95
91282CJC6	22518	TRC	30,000,000.00	10/15/2026	4.625	0.00	0.00	15,163.93	0.00	15,163.93
91282CFB2	22514	TRC	20,000,000.00	07/31/2027	2.750	0.00	0.00	29,891.30	0.00	29,891.30
91282CFH9	22515	TRC	20,000,000.00	08/31/2027	3.125	0.00	0.00	34,340.65	0.00	34,340.65
91282CCH2	22516	TRC	20,000,000.00	06/30/2028	1.250	0.00	0.00	13,594.42	0.00	13,594.42
	<b>Subtotal</b>		<b>274,000,000.00</b>			<b>292,139.94</b>	<b>0.00</b>	<b>555,813.88</b>	<b>268,750.00</b>	<b>579,203.82</b>
<b>Federal Agency Issues - Coupon</b>										
3137EAEY1	22387	FAC	0.00	10/16/2023	0.125	11,458.33	0.00	1,041.67	12,500.00	0.00
3134GW6E1	22389	FAC	0.00	11/02/2023	0.320	23,840.00	0.00	4,960.00	28,800.00	0.00
3137EAEZ8	22392	FAC	0.00	11/06/2023	0.250	10,069.44	0.00	2,430.56	12,500.00	0.00
3133ENGW4	22444	FAC	0.00	12/13/2023	0.660	29,700.00	0.00	19,800.00	49,500.00	0.00
3133EMNG3	22401	FAC	18,000,000.00	01/19/2024	0.230	8,280.00	0.00	10,350.00	0.00	18,630.00
3130ASRB7	22473	FAC	15,000,000.00	01/26/2024	3.400	92,083.32	0.00	127,500.00	0.00	219,583.32
3130APYX7	22442	FAC	20,000,000.00	05/24/2024	0.800	56,444.43	0.00	40,000.00	80,000.00	16,444.43
3130ARQ46	22464	FAC	10,000,000.00	05/28/2024	2.720	115,600.00	0.00	68,000.00	136,000.00	47,600.00
3130A1XJ2	22471	FAC	29,270,000.00	06/14/2024	2.875	250,116.22	0.00	210,378.12	420,756.25	39,738.09
3130AQJ38	22455	FAC	25,000,000.00	07/25/2024	1.050	48,125.00	0.00	65,625.00	0.00	113,750.00
3134GXJ54	22474	FAC	20,000,000.00	07/26/2024	3.650	131,805.57	0.00	182,500.00	0.00	314,305.57
3134GXRF3	22466	FAC	25,000,000.00	07/29/2024	2.625	113,020.83	0.00	164,062.50	0.00	277,083.33
3134GXTA2	22469	FAC	20,000,000.00	08/26/2024	3.050	59,305.56	0.00	152,500.00	0.00	211,805.56
3133EMNF5	22399	FAC	20,000,000.00	01/15/2025	0.375	15,833.33	0.00	18,750.00	0.00	34,583.33
3135GAK42	22506	FAC	25,000,000.00	07/16/2025	5.640	0.00	0.00	293,750.00	0.00	293,750.00
3134GXK94	22475	FAC	20,000,000.00	08/15/2025	4.050	103,500.00	0.00	202,500.00	0.00	306,000.00
3137EAEEX3	22398	FAC	15,000,000.00	09/23/2025	0.375	1,250.00	0.00	14,062.50	0.00	15,312.50
3130APGN9	22427	FAC	15,000,000.00	10/28/2026	1.150	73,312.50	0.00	43,125.00	86,250.00	30,187.50

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.

**County of Santa Cruz**  
**Accrued Interest**  
**Sorted by Security Type - Maturity Date**

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>Subtotal</b>			<b>277,270,000.00</b>			<b>1,143,744.53</b>	<b>0.00</b>	<b>1,621,335.35</b>	<b>826,306.25</b>	<b>1,938,773.63</b>
<b>Medium Term Notes</b>										
06051GFB0	22467	MTN	3,276,000.00	01/22/2024	4.125	25,900.88	0.00	33,783.75	0.00	59,684.63
06048WV31	22470	MTN	10,000,000.00	04/29/2024	3.100	53,388.89	0.00	77,500.00	77,500.00	53,388.89
06048WQ60	22440	MTN	20,000,000.00	06/03/2024	1.000	15,555.56	0.00	50,000.00	50,000.00	15,555.56
14912L6C0	22465	MTN	3,000,000.00	06/09/2024	3.300	30,800.00	0.00	24,750.00	49,500.00	6,050.00
89236TJT3	22498	MTN	10,000,000.00	01/13/2025	1.450	28,597.23	0.00	36,250.00	0.00	64,847.23
594918BB9	22462	MTN	17,544,000.00	02/12/2025	2.700	64,474.20	0.00	118,422.00	0.00	182,896.20
06048WT91	22457	MTN	10,000,000.00	03/10/2025	2.350	13,708.33	0.00	58,750.00	0.00	72,458.33
45814OAS9	22499	MTN	10,000,000.00	07/29/2025	3.700	63,722.22	0.00	92,500.00	0.00	156,222.22
89236THP3	22495	MTN	10,000,000.00	10/16/2025	0.800	16,444.45	0.00	20,000.00	19,777.78	16,666.67
037833EB2	22493	MTN	10,000,000.00	02/08/2026	0.700	10,305.56	0.00	17,500.00	0.00	27,805.56
58933YAY1	22425	MTN	5,000,000.00	02/24/2026	0.750	3,854.17	0.00	9,375.00	0.00	13,229.17
48130CBC8	22492	MTN	15,000,000.00	06/12/2026	5.250	238,437.50	0.00	196,875.00	393,750.00	41,562.50
06055JCH0	22501	MTN	15,000,000.00	09/25/2026	6.000	15,000.00	0.00	225,000.00	0.00	240,000.00
48130CDD4	22509	MTN	15,000,000.00	11/15/2028	6.000	0.00	0.00	115,000.00	0.00	115,000.00
<b>Subtotal</b>			<b>153,820,000.00</b>			<b>580,188.99</b>	<b>0.00</b>	<b>1,075,705.75</b>	<b>590,527.78</b>	<b>1,065,366.96</b>
<b>Negotiable CDs</b>										
87019WNN1	22500	NCB	0.00	10/19/2023	5.430	380,100.00	0.00	95,025.00	475,125.00	0.00
21684XD29	22484	NCB	0.00	11/13/2023	5.400	753,750.00	0.00	161,250.00	915,000.00	0.00
87019WKT1	22485	NCB	0.00	12/29/2023	5.260	672,111.11	0.00	325,097.22	997,208.33	0.00
85325VGJ3	22497	NCB	25,000,000.00	02/21/2024	5.820	307,166.67	0.00	371,833.33	0.00	679,000.00
87019WSB2	22511	NCB	25,000,000.00	05/08/2024	5.720	0.00	0.00	190,666.67	0.00	190,666.67
89115BKH2	22510	NCB	25,000,000.00	08/16/2024	5.770	0.00	0.00	192,333.33	0.00	192,333.33
85325VHX1	22503	NCB	25,000,000.00	09/03/2024	6.010	0.00	0.00	375,625.00	0.00	375,625.00
<b>Subtotal</b>			<b>100,000,000.00</b>			<b>2,113,127.78</b>	<b>0.00</b>	<b>1,711,830.55</b>	<b>2,387,333.33</b>	<b>1,437,625.00</b>
<b>Municipal Bonds</b>										
801546QU9	22456	MUN	2,430,000.00	08/01/2024	2.000	8,100.00	0.00	12,150.00	0.00	20,250.00
13063DGB8	22480	MUN	15,200,000.00	04/01/2025	3.375	256,500.00	0.00	128,250.00	256,500.00	128,250.00
91412GU94	22410	MUN	8,600,000.00	07/01/2025	3.063	65,854.50	0.00	65,854.50	0.00	131,709.00
127109QB5	22477	MUN	1,215,000.00	08/01/2025	2.194	4,442.85	0.00	6,664.28	0.00	11,107.13
79770GJB3	22445	MUN	4,250,000.00	08/01/2025	1.561	11,057.08	0.00	16,585.63	0.00	27,642.71
419792YR1	22421	MUN	10,000,000.00	08/01/2026	0.893	14,883.33	0.00	22,325.00	0.00	37,208.33
54438CYL0	22439	MUN	5,000,000.00	08/01/2026	1.174	9,783.33	0.00	14,675.00	0.00	24,458.33
91412HGF4	22489	MUN	3,000,000.00	05/15/2027	1.316	14,585.67	0.00	9,870.00	19,411.00	5,044.67
91412HGF4	22490	MUN	7,000,000.00	05/15/2027	1.316	33,009.67	0.00	23,030.00	44,268.78	11,770.89
13063DC48	22504	MUN	15,000,000.00	02/01/2028	1.700	0.00	0.00	60,208.33	0.00	60,208.33

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.

County of Santa Cruz  
Accrued Interest  
Sorted by Security Type - Maturity Date

CUSIP	Investment #	Security Type	Par Value	Maturity Date	Current Rate	* Beginning Accrued Interest	Adjusted Acc'd Int. at Purchase During Period	Interest Earned	Interest Received	* Ending Accrued Interest
<b>Subtotal</b>			<b>71,695,000.00</b>			<b>418,216.43</b>	<b>0.00</b>	<b>359,612.74</b>	<b>320,179.78</b>	<b>457,649.39</b>
<b>Local Agency Investment Fund (LAIF)</b>										
SYS6501	6501	LA1	10,441.17		3.900	92.97	0.00	95.55	92.97	95.55
<b>Subtotal</b>			<b>10,441.17</b>			<b>92.97</b>	<b>0.00</b>	<b>95.55</b>	<b>92.97</b>	<b>95.55</b>
<b>Dividends</b>										
SYS22423	22423	PA4	0.00		5.240	139.15	0.00	8,817.34	8,037.29	919.20
<b>Subtotal</b>			<b>0.00</b>			<b>139.15</b>	<b>0.00</b>	<b>8,817.34</b>	<b>8,037.29</b>	<b>919.20</b>
<b>Supranationals</b>										
459058JM6	22394	MC6	0.00	11/24/2023	0.250	15,875.00	0.00	6,625.00	22,500.00	0.00
4581X0CF3	22407	MC6	14,000,000.00	02/21/2024	3.000	46,666.67	0.00	105,000.00	0.00	151,666.67
459058JB0	22420	MC6	15,000,000.00	04/22/2025	0.625	41,106.25	0.00	23,437.50	46,950.00	17,593.75
459058JL8	22404	MC6	18,000,000.00	10/28/2025	0.500	38,250.00	0.00	22,500.00	45,000.00	15,750.00
<b>Subtotal</b>			<b>47,000,000.00</b>			<b>141,897.92</b>	<b>0.00</b>	<b>157,562.50</b>	<b>114,450.00</b>	<b>185,010.42</b>
<b>Money Market Mutual Funds 02</b>										
070731229	1229	RRP	15,667,598.64		4.790	88,179.10	0.00	188,412.85	212,852.72	63,739.23
SYS011119	22302	RRP	249,283,539.61		5.580	929,297.01	0.00	2,768,338.25	2,541,558.49	1,156,076.77
157 519 832 743	22283	RRP	50,000,000.00		5.220	217,356.70	0.00	701,033.63	662,218.10	256,172.23
<b>Subtotal</b>			<b>314,951,138.25</b>			<b>1,234,832.81</b>	<b>0.00</b>	<b>3,657,784.73</b>	<b>3,416,629.31</b>	<b>1,475,988.23</b>
<b>Total</b>			<b>1,238,746,579.42</b>			<b>5,924,380.52</b>	<b>0.00</b>	<b>9,148,558.39</b>	<b>7,932,306.71</b>	<b>7,140,632.20</b>

\* Beginning Accrued may not include investments that redeemed in the previous month that had outstanding accrued interest.

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## DESCRIPTION OF INVESTMENT INSTRUMENTS (1/3)

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The investment activities of County Treasurers are restricted by state law to a select group of government securities and prime money market instruments. To reduce the risk inherent in any one instrument, state law further limits the percentage of the county's portfolio that can be invested in any one type of security.

The types of securities available to the County Treasurer can be divided into three main categories: 1) U.S. Treasury bills, notes and bonds. They are guaranteed by the U.S. Government and are considered to have no credit risk. They also typically have the lowest yield of the securities available for investing. 2) Securities issued by U.S. Government Agencies and Instrumentalities. These securities consist mostly of notes and debentures of agencies and government sponsored corporations. They are not guaranteed by the U.S. government and therefore have some credit risk. Their yield is typically higher than U.S. Treasury securities. 3) Prime money market securities. These consist of securities such as bankers' acceptances, certificates of deposit, commercial paper and municipal bonds. The yield is typically higher than the other types of securities in which the county invests but the risk is also higher. Through diversification and purchasing only highly rated paper, the credit risk is kept to an acceptable minimum. Each of the securities in these three categories is subject to market risk if sold prior to maturity.

### **What follows is a brief description of the different securities used by the County Treasurer:**

**U.S. Treasury Notes and Bonds** are long term obligations of the U.S. government, which bear coupons. Interest is payable every six months at a rate of one-half the annual coupon. Treasury bonds and notes trading is conducted by the same securities dealers who trade T bills. In the secondary market, prices are quoted in thirty-seconds of 1 percent. Except for their maturities, notes and bonds are identical regardless of their label. Notes are issued for original maturities of one to 10 years. Bonds are issued with original maturities of more than 10 years.

**U.S. Treasury Bills** are unusual instruments because they bear no specific interest rate. Rather, they are issued originally at a discount from its ultimate maturity (par) value. Because T Bills are issued and traded at a discount, investors receive their returns at maturity or on subsequent resale, which ordinarily will be at prices higher than the original discount.

**Federal Farm Credit Bank (FFCB) Discount Notes.** FFCB is an instrumentality of the U.S. Government. The notes are the consolidated obligations of the 37 Farm Credit Banks issued on a discount basis with maturities of one year or less. Although not as risk free as Treasury notes, most experts believe the U.S. government has a moral commitment to the farm credit system.

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## DESCRIPTION OF INVESTMENT INSTRUMENTS (2/3)

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**Federal Farm Credit Bank (FFCB) debentures** are consolidated obligations of the 37 Farm Credit Banks issued with a fixed coupon rate with maturities ranging from 6 months to 20 years. A debenture is a bond secured only by the general credit of the issuer.

**Federal Home Loan Bank (FHLB) Discount notes** are consolidated obligations of 12 District banks issued with a fixed coupon rate with maturities ranging from one to ten years. Although the FHLB operates under federal charter with government supervision, the securities are not guaranteed by the U.S. government. However, the banks are required to maintain a considerable reserve pledged against the outstanding debt. They are therefore considered relatively risk free.

**Federal National Mortgage Association (Fannie Mae) Discount notes** are consolidations of government chartered private corporations issued on a discount basis with maturities under one year. They are guaranteed by the corporations, but not by the U.S. government. Many investors consider the securities a moral obligation of the U.S. government and believe Congress would intervene before allowing default.

**Federal National Mortgage Association (Fannie Mae) debentures** are obligations issued by the Association with a fixed coupon rate and various maturities. A debenture is a bond secured only by the general credit of the issuer.

**Local Agency Investment Fund (LAIF)** is the state sponsored investment fund. LAIF is an excellent cash management tool to help meet most of the unexpected cash demands. Currently the state limits the county's investment in this pool to \$65,000,000.

**Federal Home Loan Mortgage Corporation (Freddie Mac) Participation Notes** are issues of the Federal Home Loan Mortgage Corporation representing undivided interests in conventional mortgages underwritten and previously purchased by it. The corporation guarantees the timely payment of interest at the certificate rate and full return of principal. Participation Certificates have original final payment dates of 30 years.

**Government National Mortgage Association (Ginnie Mae) Pass Through** are issues of the wholly owned government corporation within the Department of Housing and Urban Development. Principal and interest payment collected on mortgages in specified pools are passed through to holders of GNMA Guaranteed certificates after deduction of servicing and guaranty fees. GNMA's have original stated maturities of 12 to 40 years. For Santa Cruz County, these are used only as collateral for overnight repurchase agreements.

**Municipal Securities (Notes and Bonds) Debt** securities issued by state and local governments and their agencies are referred to as municipal securities. Such securities can be divided into two broad categories: bonds issued to finance capital projects and short term notes sold in anticipation of the receipt of other funds, such as taxes or proceeds from a bond issue.

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## DESCRIPTION OF INVESTMENT INSTRUMENTS (3/3)

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**Banker's Acceptances.** Briefly stated, the function of the bankers' acceptance is as follows: A borrower may, under certain circumstances, obtain short-term credit by arranging for his bank to accept a time draft upon it. The bank stamps its official accepted across the face of the draft and converts it into a bankers' acceptance. The instrument, now being a bank obligation, may be sold to an acceptance dealer who, in turn, may sell it to an investor. Most BAs arise out of transactions involving the trade of manufactured goods or commodities. Maturities range from one to 180 days.

**Commercial Paper** is a short-term promissory note issued by a company to finance current transactions. All commercial paper is negotiable, but most commercial paper sold to investors is held to maturity. Commercial paper is issued not only by industrial and manufacturing firms but also by finance companies. Notes are sold on a discount or interest-bearing basis with maturities not exceeding 270 days.

**Medium Term Notes** are obligations that have maturities of less than 5 years and are issued by corporations or depositories organized and operating in the U.S.

**Negotiable Certificate of Deposit (NCD).** It is a receipt for deposit of a stated sum in the bank on a given date, together with a promise to redeem this sum plus interest at the indicated rate on a designated date. The instrument is negotiable because it is payable either to bearer or to the order of the depositor.

**Repurchase Agreements (RP or Repos).** A holder of securities sells securities to an investor with an agreement to repurchase them at a fixed price on a fixed date. Repurchase agreements are usually for short periods of time (one to five days), when large sums are received that will be needed in the next day or two. As a result, they are often called overnight repos. From the point of view of investors, overnight repos offer several attractive features. First, by rolling overnight repos, investors can keep surplus funds invested without losing liquidity or incurring a price risk. Second, because repo transactions are secured by top quality paper, investors expose themselves to little or no risk.

**Guaranteed Investment Contract (GIC).** This is a fixed income agreement offered by insurance companies. GICs offer to pay a specific interest rate over a period of time. Some GICs are eligible for early redemption, with or without penalty, which eliminates market risk if interest rates rise. In Santa Cruz County it is only used for the investment of secured indebtedness and only if the note documentation permits such an investment.

**Money Market (Mutual) Fund.** A money market mutual fund is a pooled fund that invests in a number of money market vehicles (CD's, CP, T-Bills, etc.). These funds are designed to pay the investor interest, as well as provide full liquidity. Maturities of the underlying investments are 13 months or less.





# COUNTY OF SANTA CRUZ

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TREASURY OVERSIGHT COMMISSION  
701 OCEAN STREET, SUITE 100, SANTA CRUZ, CA 95060-4073  
(831) 454-2500 FAX (831) 454-2660

**Date:** January 25, 2024

**To:** Members of the Treasury Oversight Commission

**From:** Edith Driscoll, Auditor-Controller-Treasurer-Tax Collector | Brandon Marquez, County of Santa Cruz Investment Officer

**Subject:** Review FY 22-23 Treasury Oversight Commission Compliance Audit (TOC Item #7)

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## Summary

Pursuant to the California State Government Code 27134, and the current County of Santa Cruz Investment Policy, the commission shall cause an annual audit to review to determine the Treasurer's compliance with the investment policy and other appropriate regulations.

- **California Government Code 27134:** The county treasury oversight committee shall cause an annual audit to be conducted to determine the county treasury's compliance with this article. The audit may include issues relating to the structure of the investment portfolio and risk. (Added by Stats. 1995, Ch. 784, Sec. 10. Effective January 1, 1996.)
- **County of Santa Cruz Investment Policy excerpt:** The Treasury Oversight Commission shall, via this report and other appropriate means, monitor the activities of the Treasurer, and cause to be performed an annual audit to determine the Treasurer's compliance with this Investment Policy, and other appropriate regulations. (Page 7)

**COUNTY OF SANTA CRUZ**

**TREASURY OVERSIGHT COMMISSION  
COMPLIANCE AUDIT**

**FISCAL YEAR ENDED JUNE 30, 2023**

**COUNTY OF SANTA CRUZ  
TREASURY OVERSIGHT COMMISSION  
JUNE 30, 2023**

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## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Members of the Treasury Oversight Commission  
of the County of Santa Cruz  
Santa Cruz, California

### Report on Compliance with the California Government Code

#### Opinion

We have audited the County of Santa Cruz's (the County) compliance with the Treasury Oversight Commission (the Commission) provisions contained in Sections 27130-27137 of the California Government Code (Government Code) that could have a direct and material effect on the County for the year ended June 30, 2023. Compliance with the requirements referred to above is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

In our opinion, the County complied, in all material respects, with the provisions contained in Sections 27130-27137 of the Government Code referred to above that could have a direct and material effect on the County for the year ended June 30, 2023.

#### Basis for Opinion on Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Government Code. Our responsibilities under those standards and the Government Code are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with 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 opinion on the County's compliance with provisions contained in Sections 27130-27137 of the Government Code. Our audit does not provide a legal determination of the County's compliance with those requirements referred to above.

#### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to the County.

#### Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the County's compliance based on our audit. 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 auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Government Code will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County's compliance with the requirements of Sections 27130-27137 of the Government Code as a whole.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and the Government Code, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with Sections 27130-27137 of the Government Code, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Sections 27130-27137 of the Government Code. Accordingly, this report is not suitable for any other purpose.

**Report on Supplemental Information**

Management is responsible for the supplemental information accompanying this report. Our opinion on the County's compliance with the provisions contained in Sections 27130-27137 of the Government Code does not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
December 1, 2023

**SUPPLEMENTAL INFORMATION**



**COUNTY OF SANTA CRUZ  
TREASURY OVERSIGHT COMMISSION  
JUNE 30, 2023**

**COMMISSION MEMBERS**

**Members**

Chris Schiermeyer  
Manu Koenig  
Greg Caput  
Faris Sabbah  
Liann Reyes  
Chuck Farmer  
Ron Whittle

**Organization Appointed From**

School Districts  
Board of Supervisors  
Board of Supervisors  
Superintendent of Schools  
Governing Body of the School  
Special Districts  
Special Districts

**Advisory**

Edith Driscoll  
Brandon Marquez

County Auditor–Controller–  
Treasurer–Tax Collector  
County Investment Officer

## **BACKGROUND AND GENERAL**

In 1995, the California legislature passed provisions requiring each county of California to establish an oversight commission of 3 to 11 members representing various organizations, where the pool of organizations was also specified in the legislation. The purpose of such a commission was to oversee the policies that guide the investment of public funds by a California county. The commission was not to impinge on the day-to-day operations of a county's treasurer, but rather to review and monitor a county treasurer's investment policy and reporting. In 2005, the law changed to make the commission optional at the discretion of a California county. The County of Santa Cruz (the County) has elected to continue its Treasury Oversight Commission (the Commission) that was previously established under the provisions of the California legislature.

## **COMPLIANCE AUDIT**

This oversight legislation included many specific requirements such as the required contents of the County Treasurer's Investment Policy (the Investment Policy). The California Government Code Section 27134 requires an annual audit to determine compliance with the provisions contained in Sections 27130-27137 of the Government Code.

## **COMMISSION FORMATION AND OPERATION**

This oversight legislation allows members of the Commission to be from the following organizations:

- County Treasurer
- County Auditor–Controller
- Board of Supervisors
- Superintendent of Schools
- School Districts
- Special Districts
- Members of the Public (up to five but the majority must have public finance background)

The County elected to have the County Auditor–Controller–Treasurer–Tax Collector act in an advisory role for the Commission. This role primarily acts as a staffing function as it relates to the County Treasurer.

The intent of the legislation was to give broad representation to the groups with a vested interest in a county's treasury pool. Santa Cruz County Ordinance 4433 § 1 in 1996 authorized the establishment of the Commission. A list of the members of the County's Commission for the fiscal year ended June 30, 2023, is located at page 4, within the Supplemental Information.

## **INVESTMENT POLICY STATEMENT**

Government Code Section 27133 requires a county treasurer to annually prepare an investment policy statement that is reviewed by the Commission. For the fiscal year ended June 30, 2023, the County's 2023 Investment Policy was reviewed and discussed by the Commission at its November 2022 meeting and was adopted by the County's Board of Supervisors in December 2022.

## **INVESTMENT POLICY REVIEW**

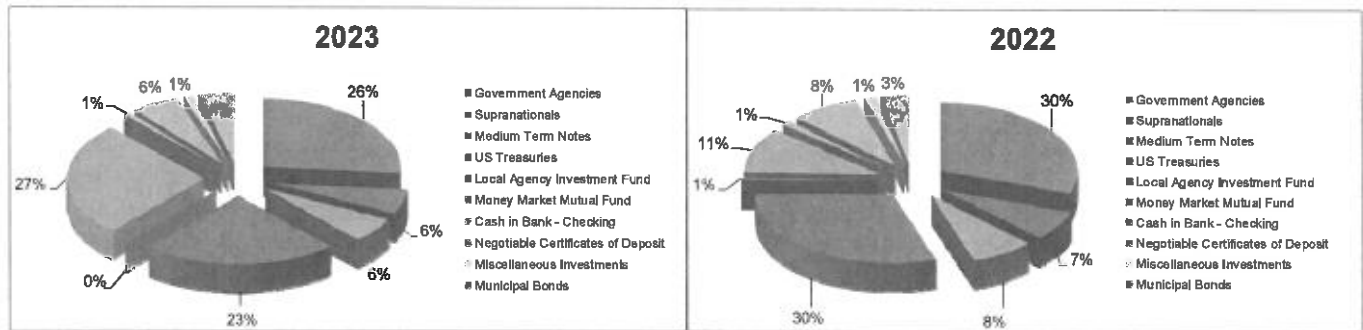
The County Auditor–Controller–Treasurer–Tax Collector and the County Treasurer–Tax Collector Manager have reviewed the requirements specified in Government Code Section 27133 and concluded that the 2023 Investment Policy of the County addresses all the required provisions as well as the guidelines intended by the Government Code. Below, we have included the requirements that were reviewed by the County Auditor–Controller–Treasurer–Tax Collector and the County Treasurer–Tax Collector Manager including our overall conclusion, based on such review:

Requirement	Policy Section	Deemed Compliant
a) Authorized securities maximum percentages by type	Exhibits A and B	Yes
b) Maximum terms	Exhibits A and B	Yes
c) Criteria for selection of brokers; prohibition of political contribution	Pages 5 – 6 Page 6	Yes Yes
d) Limits on gifts	Page 6	Yes
e) Investment Report to Commission	Page 10	Yes
f) Calculations of treasurer's costs (Government Code Section 27013)	Page 9	Yes
g) Voluntary depositors	Page 8 – 9	Yes
h) Requests for withdrawal	Page 8 – 9	Yes

### QUARTERLY REPORTING

The County's Investment Policy states that "The Treasurer will report to the Board of Supervisors and the Treasury Oversight Commission on a quarterly basis the holdings, status, and earnings of the portfolio." Reports were submitted on a quarterly basis, as required by the Investment Policy for the fiscal year ended June 30, 2023.

### INVESTMENTS BY TYPE <sup>(1)</sup>



<sup>(1)</sup> The investment percentages are based on a percentage of Total Cash and Investments and the gross of Outstanding Checks, which differs from the tables below as they are based on Net Cash and Investments, net of outstanding checks.

### Cash and Investments at Fair Values:

	June 30, 2023		June 30, 2022	
	\$	%	\$	%
Government Agencies	\$ 353,986,015	26.91%	\$ 375,683,806	30.77%
Supranationals	76,588,860	5.82%	86,827,180	7.11%
Medium Term Notes	80,675,373	6.13%	93,807,373	7.68%
US Treasuries	310,170,040	23.58%	373,467,563	30.59%
Local Agency Investment Fund	10,000	0.00%	5,036,569	0.41%
Money Market Mutual Fund	359,405,164	27.32%	132,100,009	10.82%
Cash in Bank - Checking	11,279,247	0.86%	14,957,501	1.22%
Negotiable Certificates of Deposit	74,906,000	5.69%	99,597,250	8.16%
Miscellaneous Investments	15,000,000	1.14%	16,000,000	1.31%
Municipal Bonds	55,576,322	4.23%	40,787,105	3.34%
<b>Total Cash and Investments</b>	<b>1,337,597,021</b>	<b>101.68%</b>	<b>1,238,264,356</b>	<b>101.41%</b>
<b>Outstanding Checks</b>	<b>(22,263,074)</b>	<b>-1.68%</b>	<b>(17,209,685)</b>	<b>-1.41%</b>
<b>Net Cash and Investments</b>	<b>\$ 1,315,333,947</b>	<b>100.00%</b>	<b>\$ 1,221,054,671</b>	<b>100.00%</b>