

COMMISSION ON STATE MANDATES
980 Ninth Street, Suite 300
Sacramento, CA 95814

(916) 323-3562
CSM 2(2/91)

INCORRECT REDUCTION CLAIM FORM

For Official Use Only
RECEIVED SEP 19 2002 COMMISSION ON STATE MANDATES
Claim No. <i>02-9635502-F-27</i>

Local Agency or School District Submitting Claim

MARIN COUNTY

Contact Person

Telephone No.

J. BRADLEY BURGESS/NICOLE ZIEBA

(916) 485-8102

Address

4320 Auburn Blvd., Suite 2000, Sacramento, CA 95841

Representative Organization to be Notified

CALIFORNIA STATE ASSOCIATION OF COUNTIES

This claim alleges an incorrect reduction of a reimbursement claim filed with the state Controller's Office pursuant to section 17561 of the Government Code. This incorrect reduction claim is filed pursuant to section 17551(b) of the Government Code.

CLAIM IDENTIFICATION: Specify Statute or Executive Order

Investment Reports, Chapter 783, Statutes of 1995, *et al.*

<u>Fiscal Year*</u>	<u>Amount of the Incorrect Reduction</u>
1995-96	\$19,559
1996-97	\$15,005
1997-98	\$19,440
TOTAL	\$54,004

*More than one fiscal year may be claimed.

IMPORTANT: PLEASE SEE INSTRUCTIONS AND FILING REQUIREMENTS FOR COMPLETING AN INCORRECT REDUCTION CLAIM ON THE REVERSE SIDE.

Name and Title of Authorized Representative

Telephone No.

ANNIKA WILKES ASST. AUDITOR - CONTROLLER

415-449-6909

Signature of Authorized Representative

Date

[Handwritten Signature]

9/4/02

County of Marin Incorrect Reduction Claim

Investment Reports
Chapter 783, Statutes of 1995, *et al.*

The State Controller's Office (hereinafter "SCO") incorrectly reduced the claim of the County of Marin (hereinafter "County") for reimbursement of the County's costs of implementing the requirements of Chapter 783, Statutes of 1995, *et al.* The County's claim complied with the Parameters and Guidelines and Claiming Instructions for Chapter 783, Statutes of 1995, and is supported by substantial documentation and evidence. The SCO's reduction of this claim is arbitrary, capricious, and contrary to law.

I. SUMMARY OF THE CLAIM

The State Controller's Office incorrectly reduced the claim of Marin County for reimbursement of the County's costs of implementing the requirements of Chapter 783, Statutes of 1995, commonly referred to as Investment Reports. The SCO reduced the Investment Report Claim filed by the County for the 1995-96, 1996-97 and 1997-98 fiscal years.

The Commission on State Mandates (CSM) has the authority pursuant to Government Code, Section 17551(b) to "hear and decide upon a claim by a local agency or school district filed on or after January 1, 1985, that the Controller has incorrectly reduced payments to the local agency or school district pursuant to paragraph (2) of subdivision (d) of Section 17561." The County of Marin is a local agency as defined in Government Code, Section 17518.

II. STATEMENT OF ISSUES IN DISPUTE

The following is a list of issues associated with this claim:

1. The amount claimed by the County for reimbursement of the costs of the mandate imposed by Chapter 783, Statutes of 1995 fairly represents the actual costs incurred by the County in carrying out the mandated activities. These costs were properly claimed under the Parameters and Guidelines for Chapter 783, Statutes of 1995 adopted by the CSM, and the Claiming Instructions as prepared by the SCO. Reimbursement of these costs is mandated under Article XIII B, Section 6 of the California Constitution.

a. The SCO has incorrectly reduced the claim by the amount claimed for the preparation and adoption of the Annual Investment Policy.

b. The SCO has incorrectly reduced the claim by the amount claimed for the performance of the subsidiary ledger functions including reconciling accounts, verifying

interest rates and bank statements, and adjusting current market value, which are included in the agency's investment report.

c. The SCO reduced the claim by the amount of the software used to track the County's investments (fixed income module and extended investment module).

d. The SCO reduced the claim's Indirect Cost Rate based upon the incorrectly reduced claim.

2. The adjustments to the County's reimbursement claims by the SCO's Local Reimbursements Section have no force or effect in law since:

a. The SCO did not audit the claims or records of the County prior to denial of payment to verify the actual amount of the mandated costs, as is required by Government Code, Section 17561(d)(1)(A), and

b. There is inadequate documentation to support the "claim adjustment" for each fiscal year, and

c. The adjustments made by the SCO are not supported by the evidence, and are arbitrary, capricious and contrary to law, and

d. The incorrect reduction claim has been timely filed, and

e. Because the SCO has enforced and is seeking to enforce its adjustment in contravention to the requirements of Government Code, Section 17561 of the Constitution of the State of California, the burden of proof is upon the SCO to establish a legal basis for its actions. The County has met its burden of going forward on this claim through its compliance with Title 2, California Code of Regulations, Section 1185.

3. The Commission on State Mandates has authority to hear this claim and direct restoration of the amounts claimed by the County which were incorrectly reduced. This claim provides sufficient information for the CSM to direct the Controller to reverse the reductions previously made and to direct the Controller to pay the County.

III. BRIEF HISTORY AND BACKGROUND OF INVESTMENT REPORTS

The test claim on the subject legislation, Government Code, Section 53646, subdivisions (a), (b) and (e) as added by Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, was filed by the County of Santa Clara and the City of Newport Beach on December 23, 1996. The matter was heard as an undisputed test claim, and the Statement of Decision was adopted by the Commission on State Mandates at its hearing on March 27, 1997. A true and correct copy of the Statement of Decision is attached hereto as Exhibit 1 and incorporated herein by reference.

At that hearing of the Commission on State Mandates, the following findings were made:

Subdivision (a) of Government Code section 53646 provides that the local agency treasurer or chief fiscal officer, as applicable, "... shall annually render ..." to the local legislative body and any investment oversight committee "...a statement of investment policy...". In the case of counties, the investment policy is to be "reviewed and approved" at a public meeting. Changes to the investment policy are required to undergo the same process. No such requirement for an annual investment policy or for its review and approval (or consideration) existed in immediate prior law – the Chapter 59, Statutes of 1993, version of section 53646. The requirements of subdivision (a), therefore, constitute a new program or higher level of service in an existing program.

Subdivision (b) of section 53646 requires the treasurer or [sic] chief fiscal officer "...to render a quarterly investment report having specified content to the chief executive officer, the internal auditor, and the legislative body of the local agency....".

Subdivision (e) of section 53646 provides that the quarterly report required by subdivision (b) may be presented in somewhat abbreviated fashion for those investments [sic] which have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation – insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of those forms of investment. The reports under subdivision (e), while abbreviated, are still required. Under the immediate prior law, the Chapter 59, Statutes of 1993, version of section 53646, quarterly investment reporting was discretionary; therefore, the requirements of subdivisions (b) and (e) of section 53646 constitute a new program or higher level of service in an existing program.

Subdivisions (c) and (d) of Government Code section 53646 are *not* part of this test claim.

Government Code section 53646 offers local agencies two levels of detail in making the required quarterly reports. Subdivision (e) provides for simpler reporting method for those local agency investments which have been placed in the Local Agency Investment Fund or in Federal Deposit Insurance corporation – insured accounts in a bank or

savings and loan association, in a county investment pool, or any combination of those investment vehicles. The more complex reporting requirements found in subdivision (b) apply to local agencies which cannot place all of their investments in the Local Agency Investment Fund or in the other accounts specified in subdivision (e). Local agencies which are able to use the investment methods listed in subdivision (e) exclusively should therefore be expected to have lower costs of compliance with the reporting requirements of section 53646 than those agencies which must invest some or all of their surplus funds in other financial institutions or instruments. The Government Code imposes limits on local government bank deposits [footnote omitted], and the State Treasurer has the statutory authority to limit local agency deposits in the Local Agency Investment Fund [footnote omitted]; so it is recognized that the number of local agencies eligible to report exclusively under subdivision (e) will be limited.

There are no federal requirements which are comparable to the state requirements found in Government Code section 53646, subdivisions (a), (b), and (e).

Finally, the term "local agency" as it applies to section 53646 is not the same as that term is used in Government Code section 17518 pertaining to the Commission on State Mandates [footnote omitted]. For purposes of section 53646, Government Code section 53630, subdivision (a) defines "local agency" to mean "...county, city, city and county, including a chartered city or county, a community college district, or other public agency or corporation in this state." The "local agency" definition as found in section 53646, subdivision (a), is to be used for the purposes of this test claim.

Thereafter, Parameters and Guidelines were adopted by the Commission at its hearing on November 27, 1997, a true and correct copy of which is attached hereto as Exhibit 2.

The State Controller's Office issued Claiming Instructions, a true and correct copy of which is attached hereto as Exhibit 3. The initial claims for actual costs for the period January 1, 1996 through June 30, 1996, and the 1996-97 fiscal year were due on May 20, 1998. The reimbursement claim for fiscal year 1997-98 was due on November 30, 1998.

IV. THE COUNTY'S CLAIM AND THE SCO'S REDUCTIONS

The County of Marin filed a claim for reimbursement for January 1, 1996 through June 30, 1996 and a claim for reimbursement for fiscal year 1996-97 on or about May 20, 1998; and filed a reimbursement claim for fiscal year 1997-1998 on or about January 15, 1999. The amount of the claims filed and the SCO's reductions are as follows:

YEAR	CLAIMED AMOUNT	SCO'S REDUCTIONS	NET REIMBURSEMENT
1995-96	\$ 23,632	\$ 19,559	\$ 4,073
1996-97	\$ 21,659	\$ 15,005	\$ 6,654
1997-98	\$ 26,041	\$ 19,440	\$ 6,601
TOTAL	\$ 71,332	\$ 54,004	\$ 17,328

The County of Marin requested complete copies of the SCO's files, together with "copies of any and all documents, claims, audit notes, desk review notes, audit reports, work papers, correspondence, claims receipts, remittance advice, and any and all documents contained within the files pertaining to the following reimbursement claims". A true and correct copy of said letter is attached hereto and incorporated herein as Exhibit 4.

The SCO only provided copies of the claims filed by the County of Marin, together with its notes thereon. True and correct copies of the documents provided by the SCO are attached hereto and incorporated herein as Exhibit 5.

For the 1995-96 and 1996-97 fiscal years, time for the individual who assisted in the preparation and adoption of the Annual Investment Policy, was reduced to an arbitrary rate of 20% of costs claimed. For fiscal year 1997-98, the arbitrary rate of 10% was applied to the true and correct costs of the time spent on the Annual Investment Policy. There is no rational reason or justification for the reduction of these costs, particularly the rates used to compute the new costs. The SCO took it upon themselves to create "appropriate" rates. However, the Annual Investment Policy is required to be developed and adopted by the legislation, as well as the Statement of Decision and Parameters and Guidelines. In all of these documents, there is no specific methodology or rate that a County is mandated to use to comply with the legislation and, therefore, the methodology used by the County of Marin is appropriate at the rate originally claimed.

In fiscal year 1996-97, costs associated with programming reports to be used for the Quarterly Report of Investments has been disallowed. These costs bear a logical relationship to the mandate requirements, and therefore, should be reimbursed.

For all fiscal years, the SCO eliminated all costs for Sympro software, stating that software was not mandated. However, traditionally the Commission has allowed software costs if same is reasonably necessary to perform the mandated activities.

For all fiscal years in question, the SCO also unilaterally and arbitrarily reduced costs of salaries for the staff who participated in the activities related to performing subsidiary ledger functions including reconciling accounts, verifying interest rates and bank statements, and adjusting current market value, which are all included in the agency's investment report. These duties are clearly related to the mandate. The SCO has disallowed the true and correct costs associated with these requisite duties. The only explanation given is "daily/monthly accounting functions not mandated". Yet, neither the legislation, Statement of Decision nor Parameters & Guidelines state a minimum or maximum allowable timeframe to complete these duties. Therefore, the SCO's decision to disallow all associated costs is arbitrary and capricious.

Investment reporting compliance is not a simple matter of reporting a few numbers on four occasions each year. Rather, detailed investment reporting, accumulation and compilation mandates are imposed as a result of this test claim legislation.

In the Commission's Statement of Decision on the test claim, rendered March 27, 1997, the Commission cited pertinent law which requires that:

"...this report shall include the type of investment, issue, date of maturity, par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under the management of any outside party that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation."

The Commission further noted that Government Code, Section 53646(b)(2) and (b)(3) requires that:

- (2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance . . .
- (3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

The Statement of Decision also recognizes that the legislation contemplated the use of subsidiary ledgers of investments in accordance with accepted accounting practices.

Property taxes are received in April and December of each year. These funds, together with receipts from the State, must be managed in such a way that they will provide necessary funding for the budget throughout the year. The State of California notifies counties three months in advance when the county may expect to receive certain funds, but not the amount that is to be received. Thus, it is important to do cash flow forecasting, as required under the mandate, and be fully invested to maximize returns. As a result, when deposits are received, if the cash is not immediately needed, it is invested.

This mandate requires that there be liquidity projections on a six month basis. In order to perform a liquidity projection, disbursements must be matched with receipts. Because the total amount of the State's payments are unknown, estimates of the receipts are done with historical data. This information is used in cash forecasting and for investment decisions, including maturities.

In order to make sure there is appropriate cash flow, maturities must be checked and verified on a daily basis. This is because when making investments, they are made on a daily basis, and thus maturities are critical.

The Investment Report is not a point in time document. Rather, it shows the entire portfolio at this point in time and demonstrates that one is in compliance not only with one's own investment policy, but also with the Government Code. If the portfolio is not in compliance on a given date, the out of compliance condition must be reported. The requirement is to be in compliance with the Annual Investment Policy at all times, not just on the date on which the report is due. If this were a point in time document, there would be no requirement to be in compliance on all dates of the quarter; the portfolio would merely have to be in compliance on the last day of the quarter. Thus, the requirement to be in compliance mandates daily monitoring.

It is possible to be out of compliance because of a change in credit ratings of the investments made. If an instrument is purchased and the credit rating changes, the portfolio could be out of compliance. During the past two years, several major companies, including Pacific Gas & Electric, Enron and Edison International have all seen their credit ratings substantially reduced. Also, the portfolio can be out of compliance if there is an instrument with too long a maturity.

Also, the mandate requires that one report not just the cost of the investment, but also the par value and the market value. Book value is the cost of the investment. Par value is the value upon maturity. Market value is the value which is received if the investment is sold at that time, prior to maturity. The test claim legislation requires the portfolio to reflect market value, even if there is no intention of selling the instrument prior to maturity. If the book value is greater than market value, there is a "loss"; if the book value is less than market value, there is a "profit". Additionally, if an instrument is purchased at a value that is different from par, the difference must be amortized to the maturity or call date, and the yield must be computed to the maturity or call date.

When the claims were paid, the SCO did not send work papers or audit reports to justify the reason or methodology for the disallowances. Remittance advice simply stated "claim adjustment." No further detail was provided. It was not until the County received a copy of the SCO's files in June 2002 did it understand the reason for the reductions. However, there is still no justification included for the methodology used in computing the disallowances.

Given the reductions made, request was made to the SCO to reinstate the costs which were reduced. Attached hereto as Exhibit 6 is a true and correct copy of said letter. As of this date, no restoration of the reduced costs has been made by the SCO.

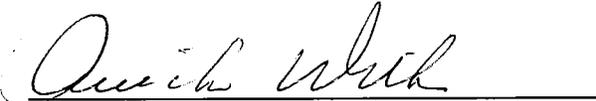
V. CONCLUSION

In conclusion, it is the contention of the County of Marin that the actions of the SCO are arbitrary, capricious, contrary to law and without justification. The Commission on State Mandates should find that the claims submitted by the County were in compliance with the Parameters and Guidelines and appropriate Claiming Instructions, that the claims were supported by proper documentation, and that the costs claimed by the County are all reimbursable pursuant to Article XIII B, Section 6 of the California Constitution, and direct the SCO to pay the entirety of the County's claims as allowable pursuant to the Parameters and Guidelines.

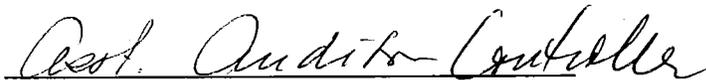
VI. CERTIFICATION

I certify by my signature below that that the statements made herein are true and correct of my own knowledge, or as to all other matters, I believe them to be true and correct based upon my information and belief.

Executed this 4 day of Sept. at San Rafael, California.



[Name]



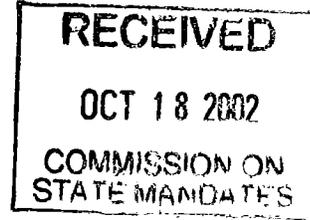
[Title]

CERTIFICATION

County of Marin

Incorrect Reduction Claim –

Investment Reports (Chapter 783, Statutes of 1995, *et al.*)



I declare under penalty of perjury that the statements made herein are true and correct of my own knowledge, or as to all other matters, I believe them to be true and correct based upon my information and belief.

Executed this 4th day of October, 2002, at San Rafael, California.

A handwritten signature in cursive script, appearing to read "Annika Wilkes", written over a horizontal line.

[Signature]

ANNIKA WILKES

[Name – Please Print]

ASSISTANT AUDITOR-CONTROLLER

[Title]

COMMISSION ON STATE MANDATES

1300 I Street, Suite 950
Sacramento, California 95814
(916) 323-3562

March 31, 1997

Mr. Steve Conrad
SB 90 Coordinator
County of Santa Clara
County Gov't. Center, E. Wing
70 W. Hedding, 2nd Floor
San Jose, CA 95110

Mr. Dick Kurth
Deputy Director
City of Newport Beach
3300 Newport Beach, PO Box 1768
Newport Beach, CA 92659-1768

AND INTERESTED PARTIES (See Attached Mailing List)

RE: Investment Reports
CSM-96-358-02

Filed by the County of Santa Clara and the City of Newport Beach
Government Code Section 53646, subdivisions (a), (b), and (e),
as added by Chapter 783, Statutes of 1995 and amended by Chapters 156
and 749, Statutes of 1996
Filed on December 23, 1996; Statement of Decision adopted on March 27,
1997.

The Commission on State Mandates has adopted the attached Statement of Decision on this undisputed test claim. Therefore, the first step in the mandates reimbursement process has been completed.

State law provides that reimbursement, if any, is subject to Commission approval of parameters and guidelines for reimbursement of the mandated program; approval of a statewide cost estimate; a specific legislative appropriation for such purpose; a timely-filed claim for reimbursement; and subsequent review of the claim by the State Controller's Office.

Because this is an undisputed test claim, I'd like to review the responsibilities of all parties and the Commission during the parameters and guidelines phase. Strict compliance with these timelines is essential for the Commission to approve a statewide cost estimate within six months (now seven months because of the one month delay to review the federal issue).

- **Claimant's Submission of Proposed Parameters and Guidelines.** Within 30 days of adoption of a statement of decision on a test claim, the successful claimant is responsible for submitting proposed parameters and guidelines. See Government Code section 17557 and Title 2, California Code of Regulations (CCR) sections 1183.1 et seq for guidance in preparing and filing a timely submission.

March 31, 1997

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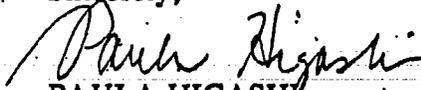
- **Review of Proposed Parameters and Guidelines.** Within ten days of receipt of completed proposed parameters and guidelines, the Commission shall send a copy to the Department of Finance, Office of the State Controller, affected state agencies, and interested parties who are on the mailing list described in section 1181.2 of the Commission's regulations. All recipients shall be given an opportunity to provide written comments or recommendations to the Commission within 30 days of service. The claimant and other interested parties may submit written rebuttals. (See CCR § 1183.11.)
- **Adoption of Parameters and Guidelines.** After review of the proposed parameters and guidelines and all comments, Commission staff shall recommend the adoption of the claimant's proposed parameters and guidelines or adoption of an amended, modified, or supplemented version of the claimant's original submission. (See CCR § 1183.12.)

An "undisputed" test claim may be transformed into a "disputed" test claim, for purposes of adoption of the statewide cost estimate, at any stage in the mandates reimbursement process. If there is opposition, in whole or in part, by the State Department of Finance, the State Controller, any other affected state agency, the test claimant, the Commission, or interested party, this undisputed test claim may become a disputed test claim. (See CCR § 1181.1 (q).)

Please note that the statement of decision for *Investment Reports*, CSM-96-358-02, was adopted on March 27, 1997. Pursuant to Government Code 17557 and Title 2, CCR sections 1183.1 et seq, the County of Santa Clara and City of Newport Beach, as joint claimants, are responsible for submitting proposed parameters and guidelines by April 29, 1997.

If you have any questions or concerns, please contact me, or Steve Zimmerman, the program analyst assigned to this mandate.

Sincerely,



PAULA HIGASHI
Executive Director

Attachments: Statement of Decision
Mailing List

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BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

Test Claim on:

Investment Reports

Government Code Section 53646, subdivisions
(a), (b) and (e) as added by Chapter 783,
Statutes of 1995; as amended by Chapters 156
and 749, Statutes of 1996;

By the County of Santa Clara and
the City of Newport Beach, Claimants.

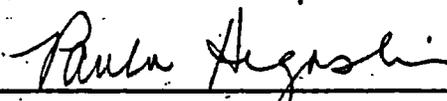
No. CSM-96-358-02

Investment Reports

STATEMENT OF DECISION

The attached Statement of Decision of the Commission on State Mandates is hereby
adopted in the above entitled matter.

This Decision shall become effective on March 27, 1997.



PAULA HIGASHI, Executive Director

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Government Code Section 53646, subdivisions (a), (b) and (e) as added by Chapter 783, Statutes of 1995; as amended by Chapters 156 and 749, Statutes of 1996;

Filed on December 23, 1996;

By the County of Santa Clara and the City of Newport Beach, Claimants.

NO. CSM - 96-358-02

Investment Reports

PROPOSED STATEMENT OF
DECISION PURSUANT TO
GOVERNMENT CODE SECTION
17500 ET SEQ.; TITLE 2,
CALIFORNIA CODE OF
REGULATIONS, DIVISION 2,
CHAPTER 2.5, ARTICLE 7.

PROPOSED STATEMENT OF DECISION

Issue: Do the provisions of Government Code section 53646, subdivisions (a), (b) and (e), as added by Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, impose a new program or a higher level of service in an existing program upon local agencies within the meaning of section 6, article XIII B of the California Constitution and Government Code section 17514 by requiring specified quarterly reports of investments and an annual statement of investment policy?

This test claim was heard by the Commission on State Mandates (Commission) on February 27, 1997, and on March 27, 1997, in Sacramento, California, during two regularly scheduled hearings.

On February 27, 1997, Allan Burdick appeared on behalf of the County of Santa Clara and Glen Everroad appeared on behalf of the City of Newport Beach.

On March 27, 1997, Allan Burdick appeared on behalf of the County of Santa Clara, Glen Everroad appeared on behalf of the City of Newport Beach, and Jim Apps represented the Department of Finance.

The record on the test claim included (1) a letter from the Department of Finance stating that the test claim legislation may have resulted in a reimbursable state mandated program concerning the preparation of quarterly investment reports and the rendering of an annual statement of investment

policy; (2) A-letter from the State Treasurer's Office concurred with the claimants that the new legislation referenced in the test claim does result in additional workload for local agencies.

At both hearings, evidence both oral and documentary was introduced, the test claim was submitted, and the vote was taken.

The law applicable to the Commission's determination of a reimbursable state mandated program is Government Code section 17500 and following, and section 6, article XIII B of the California Constitution and related case law.

BACKGROUND AND FINDINGS OF FACT

The claimants allege that the provisions of Government Code section 53646, subdivisions (a), (b), and (e), as added Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, impose a new program or higher level of service within the meaning of section 6, article XIII B of the California Constitution and section 17514 of the Government Code by requiring specified quarterly reports of investments and an annual statement of investment policy.

Former Government Code section 53646, as amended by Chapter 59/93, read:

"The treasurer ~~shall~~ *may* render to the depository and to the auditor, controller, secretary, or corresponding officer of the local agency a statement showing the amount of accrued interest for each depository for the preceding quarter if so required by the legislative body of the local agency."

(Addition made by Chapter 59/93 is in *italics*, deletion in ~~strike through~~.)

The test claim legislation, Chapter 783, Statutes of 1995, repealed the 1993 version of Government code section 53646 and replaced it with the following (including the amendments made by Chapters 156 and 749, Statutes of 1996):

"(a) ~~T-(1)~~ *In the case of county government, the treasurer or chief fiscal officer shall annually render to the legislative body of the local agency board of supervisors and any oversight committee a statement of investment policy, which the legislative body of the local agency board shall consider review and approve at a public meeting. Any changes change in the policy shall also be considered reviewed and approved by the legislative body of the local agency board at a public meeting.*

"(2) *In the case of any other local agency, the treasurer or chief fiscal officer of the local agency shall annually render to the legislative body of that local agency and any oversight committee of that local agency a statement of investment policy, which the legislative body of the local agency shall consider at a public meeting. Any change in the policy shall also be considered by the legislative body of the local agency at a public meeting.*

"(b) (1) The treasurer or chief fiscal officer shall render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency. The quarterly report shall be so submitted within 30 days following the end of the quarter covered by the report. Except as provided in subdivision (e), this report shall include the type of investment, issuer, date of maturity par and dollar amount invested on all securities, investments and moneys held by the local agency, and shall additionally include a description

of any of the local agency's funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to all securities held by the local agency, and under management of any outside part that is not also a local agency or the State of California Local Agency Investment Fund, the report shall also include a current market value as of the date of the report, and shall include the source of this same valuation.

"(2) The quarterly report shall state compliance of the portfolio to the statement of investment policy, or manner in which the portfolio is not in compliance..

"(3) The quarterly report shall include a statement denoting the ability of the local agency to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may, not be available.

"(4) In the quarterly report, a subsidiary ledger of investments may be used in accordance with accepted accounting practices.

"(c) Pursuant to subdivision (b), the treasurer or chief fiscal officer shall report whatever additional information or data may be required by the legislative body of the local agency. [Subdivision (c) was not part of this test claim.]

"(d) The legislative body of a local agency may elect to require the report specified in subdivision (b) to be made on a monthly basis instead of quarterly. [Subdivision (d) was not part of this test claim.]

"(e) ~~If a~~ For local agency ~~has investments that have been placed all of its investments~~ in the Local Agency Investment Fund, created by Section 16429.1, ~~or in~~ Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of these, the treasurer or chief fiscal officer may supply to the governing body, chief executive officer, and the auditor of the local agency the most recent statement or statements received by the local agency from these institutions in lieu of the information required by paragraph (1) of subdivision (b) *regarding investments in these institutions.*"

(Additions made by Chapters 156/96 and 749/96 in *italics*, deletions in ~~strike through~~.)

THE COMMISSION FINDS THAT:

Subdivision (a) of Government Code section 53646 provides that the local agency treasurer or chief fiscal officer, as applicable, "... shall annually render ..." to the local legislative body and any investment oversight committee "... a statement of investment policy ...". In the case of counties, the investment policy is to be "reviewed and approved" at a public meeting, while for other local agencies the investment policy is to be "considered" at a public meeting. Changes to the investment policy are required to undergo the same process. No such requirement for an annual investment policy or for its review and approval (or consideration) existed in immediate prior law -- the Chapter 59, Statutes of 1993, version of section 53646. The requirements of subdivision (a), therefore, constitute a new program or higher level of service in an existing program.

Subdivision (b) of section 53646 requires the treasurer or chief fiscal officer "... to render a quarterly investment report having specified content to the chief executive officer, the internal auditor, and the legislative body of the local agency ...".

Subdivision (e) of section 53646 provides that the quarterly report required by subdivision (b) may be presented in somewhat abbreviated fashion for those investment which have been placed in the Local Agency Investment Fund, in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of those forms of investment. The reports under subdivision (e), while abbreviated, still are required. Under the immediate prior law, the Chapter 59, Statutes of 1993, version of section 53646, quarterly investment reporting was discretionary; therefore, the requirements of subdivisions (b) and (e) of section 53646 constitute a new program or higher level of service in an existing program.

Subdivisions (c) and (d) of Government Code section 53646 are *not* part of this test claim.

Government Code section 53646 offers local agencies two levels of detail in making the required quarterly reports. Subdivision (e) provides for a simpler reporting method for those local agency investments which have been placed in the Local Agency Investment Fund or in Federal Deposit Insurance Corporation-insured accounts in a bank or savings and loan association, in a county investment pool, or any combination of those investment vehicles. The more complex reporting requirements found in subdivision (b) apply to local agencies which cannot place all of their investments in the Local Agency Investment Fund or in the other accounts specified in subdivision (e). *Local agencies which are able to use the investment methods listed in subdivision (e) exclusively should therefore be expected to have lower costs of compliance with the reporting requirements of section 53646* than those agencies which must invest some or all of their surplus funds in other financial institutions or instruments. The Government Code imposes limits on local government bank deposits¹, and the State Treasurer has the statutory authority to limit local agency deposits in the Local Agency Investment Fund²; so it is recognized that the number of local agencies eligible to report exclusively under subdivision (e) will be limited.

There are no federal requirements which are comparable to the state requirements found in Government Code section 53646, subdivisions (a), (b), and (e).

Finally, the term "local agency" as it applies to section 53646 is not the same as that term is used in Government Code section 17518 pertaining to the Commission on State Mandates³. For purposes of section 53646, Government Code section 53630, subdivision (a), defines "local agency" to mean "... county, city, city and county, including a chartered city or county, a community college district, or other public agency or corporation in this state." The "local

¹ Government Code section 53638 limits local agency deposits in banks, savings and loans and credit unions so as not to exceed shareholders' equity, net worth or unimpaired capital and surplus (as applicable), with specified exceptions. Claimants also cited limitations on deposits statewide as found in Financial Code section 856; that section, however, was repealed by Chapter 1063, Statutes of 1996.

² Government Code section 16429.1 creates the Local Agency Investment Fund in the State Treasury for the deposit of local agency funds. Section 16429.1 also provides that deposits into that Fund may be limited by the State Treasurer if "... the deposit would adversely affect the state's portfolio." Further, the Local Agency Investment Board (created by section 16429.2 of the Government Code) may determine whether quasi-governmental agencies may participate in the Fund.

³ Government Code section 17518 includes "any city, county, special district, authority, or other political subdivision of the state" as a "local agency. Section 17519 includes school districts, community college districts and county superintendents of schools as "school districts," not as "local agencies".

agency" definition as found in section 53630, subdivision (a), is to be used for purposes of this test claim.

CONCLUSION

Based on the foregoing findings, the Commission approves the test claim and determines that:

The provisions of Government Code section 53646, subdivisions (a), (b) and (e), as added by Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, impose a new program or a higher level of service in an existing program upon specified local agencies within the meaning of section 6, article XIII B of the California Constitution and Government Code section 17514 by requiring those agencies to perform the following activities:

- To render an annual statement of investment policy pursuant to Government Code section 53646, subdivision (a).
- To render quarterly reports of investments, as specified, pursuant to Government Code section 53646, subdivisions (b) and (e).

BEFORE THE
COMMISSION ON STATE MANDATES
STATE OF CALIFORNIA

IN RE TEST CLAIM ON:

Government Code Section 53646,
Subdivisions (a), (b), and (e), as added and
amended by Chapter 783, Statutes of 1995;
Chapter 156, Statutes of 1996; Chapter 749,
Statutes of 1996; and

Filed by The County of Santa Clara and
The City of Newport Beach

CSM-96-358-02

Investment Reports

Adoption of Parameters and Guidelines
Pursuant to Government Code Section
17557 and Title 2, CCR, Section
1183.12.

PARAMETERS AND GUIDELINES

The attached Parameters and Guidelines are hereby adopted by the Commission on State Mandates on November 20, 1997.

Date: November 21, 1997



PAULA HIGASHI
Executive Director

FILE COPY

Parameters and Guidelines

Government Code Section 53646, Subdivisions (a), (b), and (e)
Chapter 783, Statutes of 1995
Chapter 156, Statutes of 1996
Chapter 749, Statutes of 1996

Investment Reports

I. Summary of the Source of the Mandates

Chapter 783, Statutes of 1995, repealed the 1993 version of Government Code section 53646, and replaced it with a new section. Chapter 156, Statutes of 1996, an urgency bill, and Chapter 749, Statutes of 1996, amended subdivisions (a) and (e) of section 53646. Government Code section 53646 requires the treasurer or chief fiscal officer to render an annual statement of investment policy and a quarterly report of investments, containing specified information to the legislative body and oversight committee, as specified.

II. Commission on State Mandates Decision

On March 27, 1997, the Commission on State Mandates determined that the provisions of Government Code section 53646, subdivisions (a), (b) and (e), as added by Chapter 783, Statutes of 1995, and amended by Chapters 156 and 749, Statutes of 1996, impose a new program or a higher level of service in an existing program upon specified local agencies and school districts within the meaning of section 6, article XIII B of the California Constitution and section 17514 of the Government Code by requiring those agencies to perform the following activities:

- To render an annual statement of investment policy pursuant to Government Code section 53646, subdivision (a).
- To render quarterly reports of investments, as specified, pursuant to Government Code section 53646, subdivisions (b) and (e).

III. Eligible Claimants

The eligible claimants are any county, city, city and county or other public agency or political subdivision of the state, including school districts as defined in Government Code section 17519.

IV. Period of Reimbursement

Government Code section 17557 states that a test claim must be submitted on or before December 31st following a given fiscal year to establish eligibility for that fiscal year. The

County of Santa Clara and the City of Newport Beach filed the test claim for this state mandated program on December 23, 1996, establishing eligibility for fiscal year 1995-96. However, the test claim statutes were not in effect on July 1, 1995. Therefore, reimbursement claims may be filed for costs incurred, as follows:

Costs incurred pursuant to Chapter 783, Statutes of 1995, are reimbursable on or after January 1, 1996.

Costs incurred pursuant to Chapter 156, Statutes of 1996, an urgency statute, are reimbursable on or after July 12, 1996.

Costs incurred pursuant to Chapter 749, Statutes of 1996, are reimbursable on or after January 1, 1997.

Actual costs for one fiscal year shall be included in each claim. Estimated costs for the subsequent year may be included on the same claim, if applicable. Pursuant to section 17561, subdivision (d)(1) of the Government Code, all claims for reimbursement of costs shall be submitted within 120 days from the date on which the State Controller issues claiming instructions.

If the total costs for a given fiscal year do not exceed \$200, no reimbursement shall be allowed, except as otherwise allowed by Government Code Section 17564.

V. Reimbursable Costs

A. Scope of Mandate

Eligible claimants shall be reimbursed for the costs incurred to render an annual statement of investment policy and quarterly investment reports, as specified in Section V.B. Reimbursable Activities.

B. Reimbursable Activities

For each eligible claimant, the direct and indirect costs of labor, supplies, and services incurred for the following mandate components are reimbursable, as follows:

1. Statement of Investment Policy

Prepare and submit the annual statement of investment policy¹, and changes to:

- a. The legislative body and any oversight committee for consideration at a public meeting, effective January 1, 1996.²
- b. The county board of supervisors and any oversight committee for review and approval at a public meeting, effective January 1, 1997.

¹ In counties with Treasury Oversight Committees, costs to prepare annual statements of investment policy are allowable administrative costs, payable from proceeds of the investments as provided in Government Code section 27135.

² For the period from January 1, 1996, through December 31, 1996, counties are eligible for reimbursement for the costs incurred to carry out this activity.

2. Quarterly Report of Investments

a. Implementation Costs

Develop or modify existing policies and procedures for accumulating and compiling data to prepare the quarterly report of investments, as required in section 53646, subdivisions (b)(1), (2), (3) and/or (e).

b. Ongoing Costs

- (1) Accumulate and compile data necessary to prepare the quarterly reports of investments, as required in Government Code section 53646, subdivision (b)(1), (2), and (3) and/or (e).
- (2) Render a quarterly report of investments to the chief executive officer, the internal auditor, and the legislative body of the local agency or school district, as required in Government Code section 53646, subdivision (b)(1).³

VI. Claim Preparation

Each claim for reimbursement pursuant to this mandate must be timely filed and set forth a listing of each item for which reimbursement is claimed under this mandate.

Claim detail should include the following:

A. Salaries and Benefits

Claimed reimbursement for employee costs should be supported by name, position, productive hourly rate, hours worked, fringe benefits amount, and a brief description of assigned unit and function relative to the mandate.

The source documents required to be maintained by the claimant may include, but are not limited to, employee time cards and/or cost allocation reports.

B. Services and Supplies

The claimant should identify all direct costs for materials, services and supplies which have been purchased, leased, consumed or expended for purposes of compliance with the mandate.

Source documents required to be maintained by the claimant may include, but are not limited to, invoices, lease documentation and other documents evidencing the validity of the expenditure.

³ Chapter 156, Statutes of 1996, an urgency statute, amended subdivision (e), effective July 12, 1996. The amendment permitted the use of a statement, in lieu of the report, for any investment in an insured account. This resulted in two reimbursement beginning dates: from January 1, 1996 if the agency placed all of its investment in insured accounts; from July 12, 1996, if less than all of an agency's investments were placed in insured accounts.

C. Contract Services

List costs incurred for contract services and/or legal counsel for the development and operation of the mandated program. Contracting costs are reimbursable to the extent that the function performed requires special skills or knowledge that is not readily available from claimant's staff. Use of contract services must be justified by the claimant.

D. Training

Include the costs of training of personnel. Specialized training must be justified by the claimant.

E. Fixed Assets

List the cost of fixed assets that have been acquired specifically for the purposes of this mandate. If a fixed asset is acquired for the investment reports program but is utilized in some way not directly related to the program, only the pro-rata portion of the asset which is used for purposes of the mandated program is reimbursable.

The source documents to be maintained by the claimant may include, but are not limited to, contracts, charges, invoices and statements.

F. Allowable Overhead Costs

Government Code section 17564, subdivision (b), provides that claims for indirect costs shall be filed in the manner prescribed by the State Controller's Office.

VII. Supporting Data

For auditing purposes, all costs claimed shall be traceable to source documents (e.g., employee time records, invoices, receipts, purchase orders, contracts, worksheets, calendars, declarations, etc.) that show evidence of the validity of such costs and their relationship to the mandate. All documentation in support of claimed costs shall be made available to the State Controller or his/her agent, as may be requested, and all reimbursement claims are subject to audit during the period specified in Government Code section 17558.5, subdivision (a).

VIII. Offsetting Savings and Other Reimbursement

Any offsetting savings that the claimant experiences as a direct result of this statute must be deducted from the costs claimed. Additionally, reimbursement for this mandate received from any source (e.g., service fees collected, federal funds, other state funds, etc.) shall be identified and deducted from this claim.

IX. Required Certification

An authorized representative of the claimant will be required to provide a certification of the claim, as specified in the State Controller's claiming instructions, for those costs mandated by the state contained therein.

Commission on State Mandates

Mailing List

21-Nov-97

CSM/SB# and Claim Title CSM 96-358-02

Claim of County of Santa Clara

Government Code Sec.

Chapters 783/95

Originated: 23-Dec-96

Issue Investment Reports

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INVESTMENT REPORTS

1. Summary of Chapters 783/95, 156/96, and 749/96

Government Code § 53646, subdivisions (a), (b), and (e), as added and amended by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996, requires the treasurer or chief fiscal officer to render an annual statement of investment policy and a quarterly report of investments, containing specified information to the legislative body and oversight committee, as specified.

On March 27, 1997, the Commission on State Mandates determined that Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 resulted in state mandated costs that are reimbursable pursuant to Part 7 (commencing with Government Code § 17500) of Division 4 of Title 2.

2. Eligible Claimants

Any city, county, city and county, or special district incurring increased costs as a result of this mandate is eligible to claim reimbursement of these costs.

3. Appropriations

These claiming instructions are issued following the adoption of the program's parameters and guidelines by the Commission on State Mandates. Funding for payment of initial claims covering fiscal period January 1, 1996 through June 30, 1996, and fiscal years 1996-97 and 1997-98, may be made available in a future appropriations act subject to the approval of the Legislature and the Governor.

To determine if this program is funded in subsequent fiscal years, refer to the schedule, "Appropriations for State Mandated Cost Programs," in the "Annual Claiming Instructions for State Mandated Costs" issued in September of each year to city fiscal officers, county auditors, and special district administrators.

4. Types of Claims

A. Reimbursement and Estimated Claims

A claimant may file a reimbursement and/or an estimated claim. A reimbursement claim details the cost actually incurred for a prior fiscal year. An estimated claim shows the cost to be incurred for the current fiscal year.

B. Minimum Claim

Government Code § 17564(a), provides that no claim shall be filed pursuant to Government Code § 17561 unless such a claim exceeds \$200 per program per fiscal year.

5. Filing Deadline

A. Initial Claims

Initial claims must be filed within 120 days from the issuance date of claiming instructions. Accordingly:

- (1) Reimbursement claims detailing the actual cost incurred for the period 1/1/96 to 6/30/96 and the 1996/97 fiscal year must be filed with the State Controller's Office and postmarked by May 20, 1998. If the reimbursement claim is filed after the deadline of May 20, 1998, the approved claim must be reduced by a late penalty of

10%, not to exceed \$1,000. Claims filed more than one year after the deadline will not be accepted.

- (2) Estimated claims for cost to be incurred during the 1997/98 fiscal year must be filed with the State Controller's Office and postmarked by May 20, 1998. Timely filed estimated claims are paid before late claims. If a payment is received for the estimated claim, a 1997/98 reimbursement claim must be filed by November 30, 1998.

B. Annually Thereafter

Refer to the item "Reimbursable State Mandated Cost Programs" contained in the cover letter for mandated cost programs issued annually in September, which identifies the fiscal years for which claims may be filed. If an "x" is shown for the program listed under "19__/19__ Reimbursement Claim," and/or "19__/19__ Estimated Claim," claims may be filed as follows:

- (1) An estimated claim filed with the State Controller's Office must be postmarked by November 30 of the fiscal year in which the cost will be incurred. Timely filed estimated claims will be paid before late claims.

After having received payment for an estimated claim, the claimant must file a reimbursement claim by November 30 of the following fiscal year. If the local agency fails to file a reimbursement claim, monies received for the estimated claim must be returned to the State. If no estimated claim was filed, the agency may file a reimbursement claim detailing the actual cost incurred for the fiscal year, provided there was an appropriation for the program for that fiscal year. For information regarding appropriations for reimbursement claims, refer to the schedule, "Appropriation for State Mandated Cost Programs," in the previous fiscal year's annual claiming instructions.

- (2) A reimbursement claim detailing the actual cost must be filed with the State Controller's Office and postmarked by November 30 following the fiscal year in which the cost will be incurred. If the claim is filed after the deadline but by November 30 of the succeeding fiscal year, the approved claim must be reduced by a late penalty of 10%, not to exceed \$1,000. Claims filed more than one year after the deadline will not be accepted.

6. Reimbursable Components

For each eligible claimant, the direct and indirect cost of labor, supplies, and services incurred for the following mandated components are reimbursable:

A. Statement of Investment Policy

Prepare and submit the annual statement of investment policy and changes to:

- (1) The legislative body and any oversight committee for consideration at a public meeting, effective January 1, 1996.
- (2) The county board of supervisors and any oversight committee for review and approval at a public meeting, effective January 1, 1997.

B. Quarterly Report of Investments

- (1) Implementation Costs

Develop or modify existing policies and procedures for accumulating and compiling data to prepare the quarterly report of investments, as required in Government Code § 53646, subdivisions (b)(1), (2), (3), and/or (e).

(2) Ongoing Costs

- (a) Accumulate and compile data necessary to prepare the quarterly reports of investments, as required in Government Code § 53646, subdivision (b)(1), (2), (3), and/or (e).
- (b) Render a quarterly report of investments to the chief executive officer, the internal auditor, and the legislative body of the local agency as required in Government Code § 53646, subdivision (b)(1).

7. Reimbursement Limitations**A. Reimbursement claims may be filed for costs incurred, as follows:**

- (1) Pursuant to Chapter 783, Statutes of 1995, costs are reimbursable on or after January 1, 1996. See 6.A.(1) above.
- (2) Pursuant to Chapter 156, Statutes of 1996, costs are reimbursable on or after July 12, 1996. See 6.B.(2)(b) above. Permit the use of a statement, in lieu of the report, for any investment in an insured account.
- (3) Pursuant to Chapter 749, Statutes of 1996, costs are reimbursable on or after January 1, 1997. See 6.A.(2) above.

B. Any offsetting savings or reimbursement the claimant received from any source (e.g., service fees collected, federal funds, other state funds etc.) as a result of this mandate shall be identified and deducted so only the net local cost is claimed.**8. Claiming Forms and Instructions**

The diagram "Illustration of Claim Forms" provides a graphical presentation of forms required to be filed with a claim. A claimant may submit a computer generated report in substitution for forms INR-1 and INR-2 provided the format of the report and data fields contained within the report are identical to the claim forms included in these instructions. The claim forms provided with these instructions should be duplicated and used by the claimant to file estimated or reimbursement claims. The State Controller's Office will revise the manual and claim forms as necessary. In such instances, new replacement forms will be mailed to claimants.

A. Form INR-2, Component/Activity Cost Detail

This form is used to segregate the detailed costs by claim component. A separate form INR-2 must be completed for each cost component being claimed. Costs reported on this form must be supported as follows:

(1) Salaries and Benefits

Identify the employee(s), and/or show the classification of the employee(s) involved. Describe the mandated functions performed by each employee and specify the actual time spent, the productive hourly rate, and related fringe benefits.

Source documents required to be maintained by the claimant may include, but are not limited to, employee time records that show the employee's actual time spent on this mandate.

(2) Office Supplies

Only expenditures that can be identified as a direct cost of this mandate may be claimed. List the cost of materials consumed or expended specifically for the purpose of this mandate.

Source documents required to be maintained by the claimant may include, but are not limited to, invoices, receipts, purchase orders, and other documents evidencing the validity of the expenditures.

(3) Contracted Services

Contracting costs are reimbursable to the extent that the function to be performed requires special skill or knowledge that is not readily available from the claimant's staff or the service to be provided by the contractor is cost effective.

Give the name(s) of the contractor(s) who performed the services. Describe the activities performed by each named contractor, actual time spent on this mandate, inclusive dates when services were performed, and itemize all costs for services performed. Attach consultant invoices with the claim.

Source documents required to be maintained by the claimant may include, but are not limited to, contracts, invoices, and other documents evidencing the validity of the expenditures.

(4) Fixed Assets

Compensation for fixed asset costs are reimbursable utilizing the procedure provided in the Office and Management Budget Circular A-87 (OMB A-87). Example: Compensation for the use of equipment. The claimant may be compensated for the equipment use through a use allowance or depreciation. A use allowance may be computed at an annual rate not to exceed 6 2/3% of acquisition cost. This is reported and claimed through the agency's service-wide cost allocation plan under the cost element "Use Allowance". Charges for use allowance or depreciation must be supported by adequate property records. In the absence of clear evidence indicating that the expected consumption of the asset will be significantly greater in the early portion than in the later portions of its useful life, the straight line method of depreciation shall be used. However, the method of computing depreciation must be consistently applied for any specific class of assets for all affected programs.

List the cost of fixed assets acquired specifically for the purpose of this mandate. If a fixed asset is acquired for the subject state mandate, but is utilized in some way not directly related to the program, only the pro-rated portion of the asset which is used for purposes of the program is reimbursable.

Source documents required to be maintained by the claimant may include, but are not limited to, invoices, receipts, purchase orders and other documents evidencing the validity of the purchases.

(5) Training

Only the cost for a reasonable number of employees attending the training is reimbursable. Special training must be justified in writing by the claimant. Give the class title, dates, location, and name(s) of the employee(s) attending training classes associated with the mandate. Reimbursable costs may include salaries and benefits for time spent, the registration fee, transportation, lodging, and per diem. Reimbursement for travel expenses, lodging, and per diem will be reimbursed in accordance with the travel rules of the local jurisdiction.

For audit purposes, all supporting documents must be retained for a period of two years after the end of the calendar year in which the reimbursement claim was filed or last amended, whichever is later. When no funds are appropriated for the initial claim at the time the claim was filed, supporting documents must be retained for two years from the date of initial payment of the claim. Such documents shall be made available to the State Controller's Office on request.

B. Form INR-1, Claim Summary

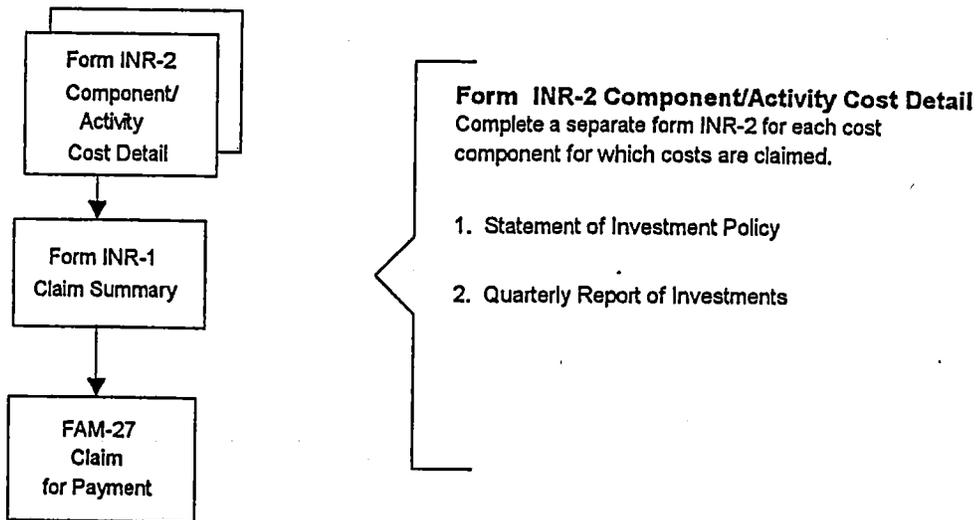
This form is used to summarize direct cost by cost component and compute allowable indirect cost for the mandate. Direct costs summarized on this form are derived from form INR-2 and carried forward to form FAM-27. The claimant must give the number of investment reports prepared during the fiscal year of the claim.

Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. If an indirect cost rate greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim. If more than one department is involved in the mandated program, each department must have its own ICRP.

C. Form FAM-27, Claim for Payment

This form contains a certification that must be signed by an authorized representative of the local agency. All applicable information from form INR-1 must be carried forward to this form for the State Controller's Office to process the claim for payment.

Illustration of Claim Forms



CLAIM FOR PAYMENT
 Pursuant to Government Code Section 17561
INVESTMENT REPORTS

For State Comptroller Use Only

(19) Program Number 00161
 (20) Date File _____/_____/_____
 (21) LRS Input _____/_____/_____

LABEL HERE	(01) Claimant Identification Number		Reimbursement Claim Data	
	(02) Mailing Address		(22) INR-1, (03)	
	Claimant Name		(23) INR-1, (04)(1)(f)	
	County of Location		(24) INR-1, (04)(2)(f)	
	Street Address or P. O.. Box		(25) INR-1, (06)	
	City	State	Zip Code	(26)
Type of Claim	Estimated Claim	Reimbursement Claim	(27)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input type="checkbox"/>	(28)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)	
Fiscal Year of Cost	(06) 19__/19__	(12) 19__/19__	(31)	
Total Claimed	(07)	(13)	(32)	
Less: 10% Late Penalty, but not to exceed \$1000		(14)	(33)	
Less: Estimated Claim Payment		(15)	(34)	
Net Claimed Amount		(16)	(35)	
Due from State	(08)	(17)	(36)	
Due to State		(18)	(37)	

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996; and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 to 1096, inclusive.

I further certify that there was no application other than from the claimant, nor any grant or payment received, for reimbursement of costs claimed herein; and such costs are for a new program or increased level of services of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996.

The amounts for Estimated Claim and/or Reimbursement Claim are hereby claimed from the State for payment of estimated and/or actual costs for the mandated program of Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 set forth on the attached statements.

Signature of Authorized Representative _____ Date _____

Type or Print Name _____ Title _____

(39) Name of Contact Person for Claim _____ Telephone Number _____
 _____ () _____ Ext. _____

INVESTMENT REPORTS
Certification Claim Form
Instructions

FORM
FAM-27

- (01) Leave blank.
- (02) A set of mailing labels with the claimant's I.D. number and address has been enclosed with the claiming instructions. The mailing labels are designed to speed processing and prevent common errors that delay payment. Affix a label in the place shown on form FAM-27. Cross out any errors and print the correct information on the label. Add any missing address items, except county of location and a person's name. If you did not receive labels, print or type your agency's mailing address.
- (03) If filing an original estimated claim, enter an "X" in the box on line (03) Estimated.
- (04) If filing an original estimated claim on behalf of districts within the county, enter an "X" in the box on line (04) Combined.
- (05) If filing an amended or combined claim, enter an "X" in the box on line (05) Amended. Leave boxes (03) and (04) blank.
- (06) Enter the fiscal year in which costs are to be incurred.
- (07) Enter the amount of estimated claim. If estimate exceeds the previous fiscal year's actual costs by more than 10%, complete form INR-1 and enter the amount from line (11). If more than one form INR-1 is completed due to multiple department involvement in this mandate, add line (11) of each form INR-1.
- (08) Enter the same amount as shown in line (07).
- (09) If filing an original reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing an original reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended or a combined claim on behalf of districts within the county, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate form FAM-27 for each fiscal year.
- (13) Enter the amount of reimbursement claim from form INR-1, line (11). If more than one form INR-1 is completed due to multiple department involvement in this mandate, add line (11) of each form INR-1.
- (14) Filing Deadline. Initial Claims of Chs. 783/95, 156/96, and 749/96. If the reimbursement claim for the period 1/1/96 to 6/30/96 or fiscal year 1996/97 is filed after May 20, 1998, the claim must be reduced by a late penalty. Enter the product of multiplying line (13) by the factor 0.10 (10% penalty) or \$1,000, whichever is less.
- Filing Deadline. Annually Thereafter. If the reimbursement claim is filed after November 30 following the fiscal year in which costs were incurred, the claim must be reduced by a late penalty. Enter the product of multiplying line (13) by the factor 0.10 (10% penalty) or \$1,000, whichever is less.
- (15) If you are filing a reimbursement claim and have previously filed an estimated claim for the same fiscal year, enter the amount received for the estimated claim. Otherwise, enter a zero.
- (16) Enter the result of subtracting line (14) and line (15) from line (13).
- (17) If line (16) Net Claimed Amount is positive, enter that amount on line (17) Due from State.
- (18) If line (16) Net Claimed Amount is negative, enter that amount in line (18) Due to State.
- (19) to (21) Leave blank.
- (22) to (37) Reimbursement Claim Data. Bring forward the cost information as specified on the left-hand column of lines (22) through (25) for the reimbursement claim [e.g., INR-1, (03), means the information is located on form INR-1, line (03)]. Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, (i.e., no cents). Indirect cost percentage should be shown as a whole number and without the percent symbol (i.e., 7.548% should be shown as 8). The claim cannot be processed for payment unless this data block is correct and complete.
- (38) Read the statement "Certification of Claim." If the statement is true, the claim must be dated, signed by the agency's authorized representative and must include the person's name and title, typed or printed. Claims cannot be paid unless accompanied by a signed certification.
- (39) Enter the name of the person and telephone number that this office should contact if additional information is required.

SUBMIT A SIGNED ORIGINAL AND A COPY OF FORM FAM-27, AND A COPY OF ALL OTHER FORMS AND SUPPORTING DOCUMENTS TO:

*Address, if delivered by
U. S. Postal Service:*

OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursement Section
 Division of Accounting and Reporting
 P.O. Box 942850
 Sacramento, CA 94250

*Address, if delivered by
other delivery service:*

OFFICE OF THE STATE CONTROLLER
 ATTN: Local Reimbursement Section
 Division of Accounting and Reporting
 3301 C Street, Suite 501
 Sacramento, CA 95816

MANDATED COSTS INVESTMENT REPORTS CLAIM SUMMARY						FORM INR-1
(01) Claimant		(02) Type of Claim			Fiscal Year	
		Reimbursement <input type="checkbox"/> Estimated <input type="checkbox"/>			19 __/19 __	
Claim Statistics						
(03) Number of investment reports prepared during the fiscal year						
(04) Reimbursable Components:	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries	Benefits	Services and Supplies	Training	Fixed Assets	Total
1. Statement of Investment Policy						
2. Quarterly Report of Investments						
(05) Total Direct Costs						
Indirect Costs						
(06) Indirect Cost Rate	[From ICRP]					%
(07) Total Indirect Costs	[Line (06) x ((line (05)(f) - ((line (05)(d) + line (05)(e))))]					
(08) Total Direct and Indirect Costs	[[Line (05)(f) + line (07)]]					
Cost Reduction						
(09) Less: Offsetting Savings, if applicable						
(10) Less: Other Reimbursements, if applicable						
(11) Total Claimed Amount	[Line (08) - ((Line (09) + Line (10)))]					

**INVESTMENT REPORTS
CLAIM SUMMARY
Instructions**

**FORM
INR-1**

- (01) Enter the name of the claimant. If more than one department has incurred costs for this mandate, give the name of each department. A form INR-1 should be completed for each department.
- (02) Type of Claim. Check a box, Reimbursement or Estimated, to identify the type of claim being filed. Enter the fiscal year for which costs were incurred or are to be incurred.
- Form INR-1 must be filed for a reimbursement claim. Do not complete form INR-1 if you are filing an estimated claim and the estimate does not exceed the previous fiscal year's actual costs by more than 10%. Simply enter the amount of the estimated claim on form FAM-27, line (07). However, if the estimated claim exceeds the previous fiscal year's actual costs by more than 10%, form INR-1 must be completed and a statement attached explaining the increased costs. Without this information the high estimated claim will automatically be reduced to 110% of the previous fiscal year's actual costs.
- (03) Enter the number of investment reports that were prepared during the fiscal year..
- (04) Reimbursable Components. For each reimbursable component, enter the totals from form INR-2, line (05) columns (d), (e), (f), (g), and (h) to form INR-1, block (04) columns (a), (b), (c), (d), and (e) in the appropriate row. Total each row.
- (05) Total Direct Costs. Total columns (a) through (f).
- (06) Indirect Cost Rate. Indirect costs may be computed as 10% of direct labor costs, excluding fringe benefits. If an indirect cost rate of greater than 10% is used, include the Indirect Cost Rate Proposal (ICRP) with the claim. If more than one department is reporting costs, each must have their own ICRP for the program.
- (07) Total Indirect Costs. Enter the result of multiplying the Indirect Cost Rate, line (06) by Total Direct Costs, line (05)(f) reduced by the sum of Contracted Services, line (05)(d), and Fixed Assets, line (05)(e).
- (08) Total Direct and Indirect Costs. Enter the sum of Total Direct Costs, line (05)(f) and Total Indirect Costs, line (07).
- (09) Less: Offsetting Savings, if applicable. Enter the total savings experienced by the claimant as a direct result of this mandate. Submit a detailed schedule of savings with the claim.
- (10) Less: Other Reimbursements, if applicable. Enter the amount of other reimbursements received from any source, (i.e., service fees collected, federal funds, other state funds, etc.) which reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) Total Claimed Amount. Subtract the sum of Offsetting Savings, line (09) and Other Reimbursements, line (10) from Total Direct and Indirect Costs, line (08). Enter the remainder on this line and carry the amount forward to form FAM-27, line (07) for the Estimated Claim, or line (13) for the Reimbursement Claim.

April 19, 2002

Mr. Richard J. Chivaro
Chief Counsel
State Controller's Office
P.O. Box 942850
Sacramento, CA 94250-0001

COPY

Re: Public Records Act Request

Dear Mr. Chivaro:

Pursuant to the California Public Records Act, Government Code, Section 6250 et seq., I am herewith requesting copies of any documents; claims, audit notes, desk review notes, audit reports, work papers, correspondence, claims receipts, audit reports, and any and all documents contained within the files pertaining to the following reimbursement claims:

Marin County – Investment Report Claim, Chapter 783, Statutes of 1995

Fiscal years: 1995-96
1996-97
1997-98
1998-99

Yuba County – Investment Report Claim, Chapter 783, Statutes of 1995

Fiscal years: 1995-96
1996-97
1997-98
1998-99

City of Huntington Beach – Investment Report Claim, Chapter 783, Statutes of 1995

Fiscal years: 1995-96
1996-97
1997-98
1998-99

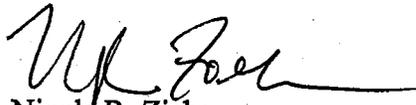
City of Palm Desert – Investment Report Claim, Chapter 783, Statutes of 1995

Fiscal years: 1995-96
1996-97
1997-98
1998-99

Pursuant to Government Code, Section 6256, you have only ten days within which to respond to this request. We are willing to pay the direct costs of duplication as stated in Government Code, Section 6253(b), and would request that you notify us of your charges for same.

I anxiously await your response.

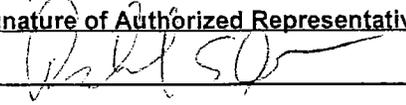
Sincerely,



Nicole R. Zieba
Manager

/rz

cc: Ginny Brummels
Jim Spano

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INVESTMENT REPORTS			For State Controller Use Only	
(01) Claimant Identification Number			(19) Program Number 00161	
(02) Mailing Address <i>9921</i>			(20) Date Filed ___/___/___	
Claimant Name Marin County			(21) Signature Present 	
County of Location Marin County			Reimbursement Claim Data	
Street Address or P.O. Box Civic Center, Room 209			(22) INR-1, (03)	2
City San Rafael			(23) INR-1, (04)(01)(f)	6,309
State CA			(24) INR-1, (04)(2)(f)	14,401
Zip Code 94903			(25) INR-1, (06)	29.00
Type of Claim	Estimated Claim	Reimbursement Claim	(26)	
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(27)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(28)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(29)	
Fiscal Year of Cost	(06)	(12)	(30)	
Total Claimed Amount	(07)	1995-96	(31)	
LESS: 10% Late Penalty, but not to exceed \$1,000 (if applicable)	(14)	\$23,632	(32)	
LESS: Estimated Claim Payment Received	(15)	<i>< 12505 ></i>	(33)	<i>9890</i>
Net Claimed Amount	(16)	<i>< 5047 ></i>	(34)	<i>9867</i>
Due from State	(08)	<i>< 2004 ></i>	(35)	<i>9920</i>
Due to State		\$23,632	(36)	
		\$23,632	(37)	
		<i>4074</i>		
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 through 1096, inclusive.</p> <p>I further certify that there were no applications for nor any grants or payments received, other than from the claimant for reimbursement of costs claimed herein; and such costs are for new program or increased level of service of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996</p> <p>The amount for estimated and/or reimbursement claims are payment of estimated and/or actual costs for the mandated program of Chapter 1107, Statutes of 1984, set forth on the attached statements.</p>				
Signature of Authorized Representative			Date	
			May 20, 1998	
Richard S. Arrow			Auditor-Controller	
Print or type name			Title	
Brad Burgess (DMG)			(916) 485-8102	
(39) Name of Contact Person for Claim			Telephone Number	

CLAIM FOR PAYMENT
Pursuant to Government Code Section 17561
INVESTMENT REPORTS

For State Controller Use Only

(19) Program Number 00161
 (20) Date Filed ___/___/___
 (21) Signature Present _____

(01) Claimant Identification Number		Reimbursement Claim Data	
(02) Mailing Address		(22) INR-1, (03)	2
Claimant Name	Marin County	(23) INR-1, (04)(01)(f)	6,309
County of Location	Marin County	(24) INR-1, (04)(2)(f)	14,401
Street Address or P.O. Box	Civic Center, Room 209	(25) INR-1, (06)	29.00
City	State	Zip Code	(26)
San Rafael	CA	94903	
Type of Claim	Estimated Claim	Reimbursement Claim	(27)
	(03) Estimated <input type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28)
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)
Fiscal Year of Cost	(06)	(12)	(31)
		1995-96	
Total Claimed Amount	(07)	(13)	(32)
		\$23,632	
LESS: 10% Late Penalty, but not to exceed \$1,000 (if applicable)		(14)	(33)
LESS: Estimated Claim Payment Received		(15)	(34)
Net Claimed Amount		(16)	(35)
		\$23,632	
Due from State	(08)	(17)	(36)
		\$23,632	
Due to State		(18)	(37)

(38) CERTIFICATION OF CLAIM

In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 through 1096, inclusive.

I further certify that there were no applications for nor any grants or payments received, other than from the claimant for reimbursement of costs claimed herein; and such costs are for new program or increased level of service of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996

The amount for estimated and/or reimbursement claims are payment of estimated and/or actual costs for the mandated program of Chapter 1107, Statutes of 1984, set forth on the attached statements.

Signature of Authorized Representative

Date

May 20, 1998

Richard S. Arrow

Auditor-Controller

Print or type name

Title

Brad Burgess (DMG)

(916) 485-8102

(39) Name of Contact Person for Claim

Telephone Number

**MANDATED COSTS
INVESTMENT REPORTS
CLAIM SUMMARY**

**FORM
INR-1**

(01) Claimant: **Marin County**

(02) Type of Claim:

Reimbursement

Estimated

Fiscal Year
1995-96

Claim Statistics

(03) Number of investment reports prepared during the fiscal year.

2

(04) Reimbursable Component:	(a) Salaries	(b) Benefits	(c) Services and Supplies	(d) Fixed Assets	(e) Total
1. Statement of Investment Policy	\$4,794 959	\$1,515 303			\$6,309 1262
2. Quarterly Report of Investments	\$2,863 1440	\$905 455	\$40,633 -0-		\$14,401 1895
(05) Total Direct Costs	\$7,657 2399	\$2,420 758	\$40,633 -0-		\$20,709 3157

Indirect Costs

(06) Indirect Cost Rate [From ICRP]

29.00%

(07) Total Indirect Costs [Line (06) x (line (05)(f) - (line (05)(d) + line (05)(e)))]

916
~~\$2,922~~

(08) Total Direct and Indirect Costs [Line (05)(f) + line (07)]

4073
\$23,632

Cost Reductions

(09) Less: Offsetting Savings, if applicable

(10) Less: Other Reimbursements, if applicable

(11) Total Claimed Amount: [Line (08) - (Line (09) + Line (10))]

4073
\$23,632

**MANDATED COSTS
INVESTMENT REPORTS
COMPONENT / ACTIVITY COST DETAIL**

**FORM
INR-2**

(01) Claimant: **Marin County**

(02) Fiscal year costs were incurred: **1995-96**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

- Statement of Investment Policy**
 Quarterly Report of Investments

(04) Description of Expense: Complete columns (a) through (h)

Object Accounts

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
Michael Smith, Treasurer Twila Castellucci, Investment Officer	\$54.87	31.60%	30.00		\$1,646	\$520	\$2,166	
	\$33.88	31.60%	30.00		\$1,016	\$321	\$1,337	
Revised policies and procedures necessary for accumulating quarterly reports.								
Michael Smith, Treasurer Twila Castellucci, Investment Officer Gary Aquilino	\$54.87	31.60%	25.00		\$1,372	\$433	\$1,805	
	\$33.88	31.60%	20.00		\$678	\$214	\$892	
	\$41.24	31.60%	2.00		\$82	\$26	\$109	
Time to prepare and render the annual statement of investment policy for the County.								
<p><i>Excessive time to update "annual investment policy" for mandated changes.</i></p> <p><i>No time sheet on detailed description of tasks performed.</i></p> <p><i>Cut to 20% to allow reasonable time.</i></p>								
					20% = 959	20% = 303	20% = 1262	
(05) Total [] Subtotal []					\$4,794	\$1,515	\$6,309	

Page: ___ of ___

**MANDATED COSTS
INVESTMENT REPORTS
COMPONENT / ACTIVITY COST DETAIL**

**FORM
INR-2**

(01) Claimant: **Marin County**

(02) Fiscal year costs were incurred:

1995-96

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

Statement of Investment Policy

Quarterly Report of Investments

(04) Description of Expense: Complete columns (a) through (h)

Object Accounts

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
<u>Michael Smith, Treasurer</u>	\$54.87	31.60%	6.00		\$329	\$104	\$433	
<u>Twila Castellucci, Investment Officer</u>	\$33.88	31.60%	25.50		\$864	\$273	\$1,137	
<u>Gary Aquilino</u>	\$41.24	31.60%	6.00		\$247	\$78	\$326	
Ms. Castellucci prepared the Quarterly investment reports, and Mr. Smith and Mr. Aquilino reviewed these reports prior to submission to the Board. <i>OK</i>								
<u>Twila Castellucci, Investment Officer</u> <i>(15 minutes per day x 100 days in this year)</i>	\$33.88	31.60%	25.00		\$847	\$268	\$1,114	
<i>Daily / monthly accounting functions are not mandated</i>								
These individuals input transactions necessary for the compilation of various reports to be included in the mandated quarterly reports.								
<u>Edith Simonson, Accountant II</u>	\$24.91	31.60%	12.00		\$299	\$94	\$393	
Verifies transactions.								
<u>Mei Zhuang, Accounting Assistant</u> <i>(10 minutes per day x 100 days per year)</i>	\$16.62	31.60%	16.67		\$277	\$88	\$364	
Inputs trade info and reconciles								
<u>Sympro</u> Fixed Income module maintenance <i>Not mandated only QTY Fmt is required</i>				\$633				
<u>Fitch</u> Investment Pool rating				\$10,000				
				—0—	1440	455	1895	

(05) Total [] Subtotal [] Page: ___ of ___

~~\$40,633~~ ~~\$2,863~~ ~~\$905~~ ~~\$3,768~~

DIRECT COST RATE PROPOSAL

Claimant Name: Marin County, California
Mandate:
Department: Treasurer (123)
Fiscal Year: 1995-1996

DESCRIPTION OF COSTS	Total Costs	(1)	(2)	(3)
		Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
	(\$)	(\$)	(\$)	(\$)
Personnel Services:				
1 Salaries & Wages	\$895,464		\$105,206	\$790,258
2 Part-time Wages & Overtime	\$37,576			\$37,576
3 Benefits 31.6%	\$283,343		\$33,289	\$250,054
SUBTOTAL:	\$1,216,383		\$138,495	\$1,077,888
Line Item Costs (Services, Supplies, & Other):				
4 Office Equip Repr & Maint	\$14,901		\$14,901	
5 Office Supplies	\$39,505		\$39,505	
6 Document Reprod	\$15,432		\$15,432	
7 Investigations	\$4,727			\$4,727
8 Publ & Legal Notices	\$5,504			\$5,504
9 Miscellaneous Fees	\$2,897			\$2,897
10 Training	\$7,234		\$7,234	
11 Bank Charges	\$65,277		\$65,277	
12 Conferences	\$5,204		\$5,204	
13 Mileage & Travel	\$2,819		\$2,819	
14 Contract Services	\$25,099			\$25,099
15 Data Process Equip	\$28,660	\$28,660		
16 Capitalized Lease Purch	\$11,895	\$11,895		
17 Vehicle Maint	\$1,000		\$1,000	
18 Vehicle Replacement	\$266	\$266		
19 Telephone Charges	\$18,733		\$18,733	
20 Rent Charges	\$125		\$125	
21 Pro Rata Costs Received	(\$46,682)	(\$46,682)		
22				
23				
24				
25				
26				
27				
28				
29				
30				
SUBTOTAL:	\$202,596	(\$5,861)	\$170,230	\$38,227
TOTAL EXPENDITURES:	\$1,418,979			
Cost Adjustments and/or Cost Plan Costs:				
31				
32				
SUBTOTAL:				
TOTAL COSTS:	\$1,418,979	(\$5,861)	\$308,725	\$1,116,115
CALCULATED INDIRECT COST RATE:		\$308,725	29%	
		\$1,077,888	Salaries, Wages, & Benefits	

* Sum of Direct Salaries including part-time and overtime and Benefits.

D. DEPARTMENTAL INDIRECT SALARIES

Claimant Name: Marin County, California
 Mandate:
 Department: Treasurer (123)
 Fiscal Year: 1995-1996

INDIRECT SALARIES

Position or Name of Employee	Annual Wages	Departmental Administration		Departmental Support	
		(%)	(\$)	(%)	(\$)
1 Assistant Treasurer	\$70,866	100.0%	\$70,866		
2 Admin Services Assistant I	\$34,340			100.0%	\$34,340
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
TOTAL	\$105,206		\$70,866		\$34,340

TOTAL INDIRECT SALARIES \$105,206

COUNTY OF MARIN
STATE OF CALIFORNIA
BUDGET UNIT FINANCING USES DETAIL

COUNTY BUDGET FORM
SCHEDULE 9

EXPENDITURE AMOUNTS

FINANCING USES CLASSIFICATION	OBJECT	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1994 (2)	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1995 (3)	FINAL BUDGET FOR YEAR ENDED JUNE 30, 1996 (4)	ACTUAL & ESTIMATED YEAR ENDED JUNE 30, 1996 (5)	REQUESTED YEAR ENDED JUNE 30, 1997 (6)	ALLOWED BY BOARD OF SUPERVISORS YEAR ENDING JUNE 30, 1997 (7)
TREASURER-TAX COLLECTOR 123							
SALARIES & RELATED ACCTS	1003	717,219.11	836,753.77	900,517.00	895,463.71	893,701.00	893,701.00
REGULAR STAFF SALARIES	1004	42,713.12	34,275.99	48,114.00	34,800.68	38,000.00	38,000.00
EXTRA HIRE	1008	3,145.02	3,282.02	5,000.00	2,774.99	3,000.00	3,000.00
OVERTIME	1402	81,984.85	97,209.96	149,305.00	147,348.39	148,175.00	148,175.00
RETIREMENT COUNTY	1404	4,836.53	6,529.36	6,500.00	7,223.88	7,500.00	7,500.00
SOCIAL SECURITY	1506	102,228.09	120,390.35	133,435.00	121,860.33	128,865.00	128,865.00
ADDTL RETIRMT & EMPL BEN	1701	5,654.99	6,496.27	6,573.00	6,911.20	6,525.00	6,525.00
COMPENSATION INSURANCE	1998						
NET COST POSITIONS ADDED	1999	957,781.71	1,104,937.72	1,249,444.00	1,216,383.18	1,225,766.00	1,225,766.00
NET COST POSITIONS DELET							
OBJECT CLASS TOTAL							
SERVICES & SUPPLIES							
OFC EQUIP REP & MAINT	2079	12,418.01	1,471.82	13,525.00	14,900.54	15,760.00	15,760.00
OFC SUPPLIES & EXPENSE	2133	33,095.12	36,758.80	37,298.00	39,505.12	40,744.00	40,744.00
DOCUMENT REPROD COSTS	2137	14,088.38	13,761.50	16,781.00	15,432.23	28,900.00	28,900.00
COMPUTER SUPPLIES	2141	92.09					
INVESTIGATIONS	2146	1,702.22	5,594.46	10,574.00	4,727.27	7,225.00	7,225.00
SOFTWARE & SOFTWARE LIC	2151						
PUBL AND LEGAL NOTICES	2221	7,450.70	6,340.95	8,168.00	5,504.12	8,814.00	8,814.00
MISCELLANEOUS FEES	2269	1,652.19	727.22	1,500.00	2,896.93	1,550.00	1,550.00
TRAINING	2273	1,249.85	2,839.33	6,060.00	7,233.50	9,560.00	9,560.00
BANK CHARGES	2408	103,306.44	123,465.04	123,180.00	65,276.69	112,948.00	112,948.00
CONFERENCES	2477	1,982.14	2,574.63	2,000.00	5,204.73	3,000.00	3,000.00
MILEAGE & ROUTN TRAV EXP	2479	2,207.16	2,495.77	2,295.00	2,818.87	3,800.00	3,800.00
CONTRACT SVC MISC	2533	17,823.56	29,692.68	19,140.00	25,099.12	20,220.00	20,220.00
OBJECT CLASS TOTAL		197,067.86	225,722.20	240,521.00	188,599.12	252,521.00	252,521.00
PROJECTS & FIXED ASSETS							
REPRODUCTION EQUIPMENT	4865	2,182.54	2,400.00				
DATA PROCESSING EQUIPMEN	4880		17,376.04	14,577.00	28,660.46	7,504.00	7,504.00
SOFTWARE & SOFTWARE LICN	4881						

COUNTY OF MARIN
STATE OF CALIFORNIA
BUDGET UNIT FINANCING USES DETAIL

COUNTY BUDGET FORM
SCHEDULE 9

FINANCING USES CLASSIFICATION	OBJECT	EXPENDITURE AMOUNTS								
		ACTUAL COMPLETED YEAR ENDED JUNE 30, 1994 (2)	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1995 (3)	FINAL BUDGET FOR YEAR ENDED JUNE 30, 1995 (4)	ACTUAL & ESTIMATED YEAR ENDED JUNE 30, 1996 (5)	REQUESTED YEAR ENDED JUNE 30, 1997 (6)	ALLOWED BY BOARD OF SUPERVISORS YEAR ENDED JUNE 30, 1997 (7)			
TREASURER-TAX COLLECTOR 123										
PROJECTS & FIXED ASSETS										
FAX EQUIPMENT	4882		674.68							
MIS FURNITURE & OFC EQUI	4985	10,553.16	10,553.16	10,554.00	11,895.39					7,504.00
CAPITALIZED LEASE PURCHA	4999	12,735.70	31,003.88	25,131.00	40,555.85					1,485,791.00
OBJECT CLASS TOTAL		1,167,585.27	1,361,663.80	1,515,096.00	1,445,538.15					
DIRECT CHGS AND APPROP										
INTER-DEPARTMENTAL CHARGES										
VEHICLE MAINTENANCE CHAR	5025	583.00	509.00	1,000.00	1,000.00					215.00
VEHICLE REPLACEMENT CHAR	5035	1,167.00	720.00	266.00	266.00					412.00
TELEPHONE CHARGED	5071	17,324.00	16,660.00	18,733.00	18,733.00					19,616.00
RENT CHARGED	5073		250.00		125.00					
PRO RATA COSTS RECEIVED	5095	41,682.00	41,682.00	46,682.00	46,682.00					45,254.00
SALARIES&BENEFITS CHARGE	5603	22,608.00	23,543.00	24,277.00	26,558.00					65,499.00
OBJECT CLASS TOTAL		1,144,977.27	1,338,120.80	1,539,373.00	1,418,980.15					1,551,290.00
GENL FUND TOTAL 102										
MEMO: INCL IN REVENUE ACCRUAL										
INTEREST INCOME	9201	2,264,811.78	2,847,372.88	2,950,000.00	3,297,781.14					2,527,164.00
MANDATED COSTS STATE	9308	41,774.00	7,222.50		4,033.48					
AB2557 PROP TAX ADM CHAR	9516	103,925.00	205,895.00	212,072.00	200,688.90					205,915.00
REIMB INVEST/BANK COSTS	9517	366,072.58	377,464.13	465,591.00	465,591.00					420,673.00
ESTATE FEES	9553	200,538.76	229,109.23	180,000.00	268,941.92					180,000.00
MICROFICHE REIMBURSEMENT	9590	25,650.00	23,050.00	15,000.00	25,700.00					15,000.00
RECORDING FEES	9593	90.00								
OTH TAX COLL BOND SVC CH	9715	1,977.32	1,053.77	1,100.00	2,337.17					1,100.00
OTH MISC RFNDS & REIMB	9773	4,469.38	364.72	1,000.00	4,553.48					1,300.00
OTHER MISC INCOME	9774	2,799.70	2,407.19		37.74					
OTH REIMB PHONE EXP	9792	20.10	19.75		7.36					
REVENUE TOTALS		3,012,128.62	3,693,979.17	3,824,763.00	4,269,672.19					3,351,152.00

TREASURER-TAX COLLECTOR #123.

This budget includes the costs of receiving, safeguarding, disbursing, and investing funds of the County, school districts and special districts. Other costs include bond administration and collection of property taxes, transient occupancy taxes, and health permit fees. The Treasurer-Tax Collector also acts as Public Administrator, safeguarding and settling estates for County residents who die without a will or close relatives, or when appointed as administrator by the Court.

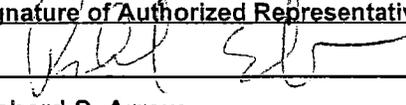
This budget reflects a reorganization in the Collections unit.

BARG UNIT	WK CP	JOB CLASS	JOB CLASS TITLE	PRICR ALLOC.	ADJUSTED ALLOC.	REQUESTED ALLOC.	APPROVED ALLOC.	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
20	F	0107	TREASURER TAX COLLECTOR	1.00	1.00	1.00	1.00					3,628.00
21	F	0109	ASST. TREAS-TAX COLL/PUB	1.00	1.00	1.00	1.00					2,725.60
23	F	0313	ADMINST SVCS ASST I	1.00	1.00	1.00	1.00	1,202.25	1,261.50	1,320.75	1,383.00	1,449.00
04	F	C330	TREASURER/TAX COL OFF I	1.00	1.00	1.00	1.00	1,169.25	1,221.00	1,276.50	1,335.00	1,392.00
23	F	C332	COLLECTIONS MANAGER	1.00	1.00	1.00	1.00	1,386.75	1,450.50	1,518.00	1,592.25	1,663.50
04	F	C336	TREASURER/TAX COLL OFF II	1.00	1.00	1.00	1.00	1,286.25	1,343.25	1,404.00	1,468.50	1,531.50
04	F	C370	ACCOUNTANT II	1.00	1.00	1.00	1.00	1,389.75	1,452.00	1,520.25	1,590.00	1,662.75
03	F	0516	DEPUTY PUBLIC ADMIN II	1.00	1.00	1.00	1.00	1,240.50	1,293.75	1,350.75	1,410.00	1,473.75
23	F	C526	CHIEF DEPUTY PUBLIC ADMIN	1.00	1.00	1.00	1.00	1,696.80	1,777.60	1,863.20	1,955.20	2,051.20
03	F	C530	DEPUTY PUBLIC ADMINSTR I	1.00	1.00	1.00	1.00	1,086.00	1,133.25	1,181.25	1,237.50	1,288.50
01	F	1390	SENIOR ACCOUNTING ASST	4.00	4.00	4.00	4.00	1,081.50	1,128.00	1,176.00	1,230.75	1,283.25
01	F	1391	ACCOUNTING ASSISTANT	7.00	7.00	7.00	7.00	936.75	975.75	1,018.50	1,062.00	1,108.50
23	F	1490	INVESTMENT-CASH MGMT OFF	1.00	1.00	1.00	1.00	1,617.00	1,694.25	1,776.00	1,860.75	1,948.50
23	F	1511	CHIEF DEPUTY TAX COLLECTR	1.00	1.00	1.00	1.00	1,617.00	1,694.25	1,776.00	1,860.75	1,948.50
01	F	1512	PROPERTY TAX TECHNICIAN	1.00	1.00	1.00	1.00	1,117.50	1,171.50	1,225.50	1,284.00	1,346.25
				23.00*	23.00*	23.00*	23.00*					

1.0 Position deleted August 26, 1995
 1.0 Position to be effective August 27, 1995



STATE

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INVESTMENT REPORTS		For State Controller Use Only	
(01) Claimant Identification Number		(19) Program Number 00161	
(02) Mailing Address 9921		(20) Date Filed ___/___/___	
Claimant Name Marin County		(21) Signature Present 	
County of Location Marin County		Reimbursement Claim Data	
Street Address or P.O. Box Civic Center, Room 209		(22) INR-1, (03)	4
City State Zip Code San Rafael CA 94903		(23) INR-1, (04)(01)(f)	7,100
Type of Claim		(24) INR-1, (04)(2)(f)	11,124
Estimated Claim	Reimbursement Claim	(25) INR-1, (06)	23.00
(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(26)	
(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(27)	
(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(28)	
Fiscal Year of Cost	(06) 1997-98	(12) 1996-97	(31)
Total Claimed Amount	(07) \$19,494	(13) \$21,659	(32)
LESS: 10% Late Penalty, but not to exceed \$1,000 (if applicable)	(14)	(14)	(33)
LESS: Estimated Claim Payment Received	(15)	(15) < 12813 > < 2192 >	(34) 9890 - 9920 -
Net Claimed Amount	(16)	(16) \$21,659	(35)
Due from State	(08) \$19,494	(17) \$21,659	(36)
Due to State	(18)	(18) 6654	(37)
(38) CERTIFICATION OF CLAIM			
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 through 1096, inclusive.</p> <p>I further certify that there were no applications for nor any grants or payments received, other than from the claimant for reimbursement of costs claimed herein; and such costs are for new program or increased level of service of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996</p> <p>The amount for estimated and/or reimbursement claims are payment of estimated and/or actual costs for the mandated program of Chapter 1107, Statutes of 1984, set forth on the attached statements.</p>			
Signature of Authorized Representative		Date	
		6/28/99	
Richard S. Arrow		May 20, 1998	
Print or type name		Auditor-Controller	
Brad Burgess (DMG)		Title	
(39) Name of Contact Person for Claim		(916) 485-8102	
		Telephone Number	

CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INVESTMENT REPORTS			For State Controller Use Only	
			(19) Program Number 00161	
			(20) Date Filed ____ / ____ / ____	
			(21) Signature Present _____	
(01) Claimant Identification Number			Reimbursement Claim Data	
(02) Mailing Address			(22) INR-1, (03)	4
Claimant Name Marin County			(23) INR-1, (04)(01)(f)	7,100
County of Location Marin County			(24) INR-1, (04)(2)(f)	11,124
Street Address or P.O. Box Civic Center, Room 209			(25) INR-1, (06)	23.00
City San Rafael			(26)	
State CA				
Zip Code 94903				
Type of Claim	Estimated Claim		Reimbursement Claim	
	(03) Estimated	<input checked="" type="checkbox"/>	(09) Reimbursement	<input checked="" type="checkbox"/>
	(04) Combined	<input type="checkbox"/>	(10) Combined	<input type="checkbox"/>
	(05) Amended	<input type="checkbox"/>	(11) Amended	<input type="checkbox"/>
Fiscal Year of Cost	(06)	1997-98	(12)	1996-97
Total Claimed Amount	(07)	\$19,494	(13)	\$21,659
LESS: 10% Late Penalty, but not to exceed \$1,000 (if applicable)			(14)	(33)
LESS: Estimated Claim Payment Received			(15)	(34)
Net Claimed Amount			(16)	\$21,659
Due from State	(08)	\$19,494	(17)	\$21,659
Due to State			(18)	(37)
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 through 1096, inclusive.</p> <p>I further certify that there were no applications for nor any grants or payments received, other than from the claimant for reimbursement of costs claimed herein; and such costs are for new program or increased level of service of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996</p> <p>The amount for estimated and/or reimbursement claims are payment of estimated and/or actual costs for the mandated program of Chapter 1107, Statutes of 1984, set forth on the attached statements.</p>				
Signature of Authorized Representative			Date	
_____			May 20, 1998	
Richard S. Arrow			Auditor-Controller	
Print or type name			Title	
Brad Burgess (DMG)			(916) 485-8102	
(39) Name of Contact Person for Claim			Telephone Number	

**MANDATED COSTS
INVESTMENT REPORTS
CLAIM SUMMARY**

**FORM
INR-1**

(01) Claimant: Marin County

(02) Type of Claim:

Reimbursement

Fiscal Year

1996-97

Estimated

1997-98

Claim Statistics

(03) Number of investment reports prepared during the fiscal year.

4

(04) Reimbursable Component:

	(a) Salaries	(b) Benefits	(c) Services and Supplies	(d) Fixed Assets	(e) Total
1. Statement of Investment Policy	\$5,457 1091	\$1,643 329			\$7,100 1420
2. Quarterly Report of Investments	\$8,026 3067	\$1,814 923	\$3,284 -0-		\$11,124 3990
(05) Total Direct Costs	\$11,483 4158	\$3,456 1252	\$3,284 -0-		\$18,223 5410

Indirect Costs

(06) Indirect Cost Rate

[From ICRP]

23.00%

(07) Total Indirect Costs

[Line (06) x (line (05)(f) - {line (05)(d) + line (05)(e)})]

1244
\$3,436

(08) Total Direct and Indirect Costs

[Line (05)(f) + line (07)]

6654
\$21,659

Cost Reductions

(09) Less: Offsetting Savings, if applicable

(10) Less: Other Reimbursements, if applicable

(11) Total Claimed Amount:

[Line (08) - {Line (09) + Line (10)}]

6654
\$21,659

**MANDATED COSTS
INVESTMENT REPORTS
COMPONENT / ACTIVITY COST DETAIL**

**FORM
INR-2**

(01) Claimant: **Marin County**

(02) Fiscal year costs were incurred: **1996-97**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

- Statement of Investment Policy**
 Quarterly Report of Investments

(04) Description of Expense: Complete columns (a) through (h)

Object Accounts

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
<u>Michael Smith, Treasurer</u>	\$57.06	30.10%	50.00		\$2,853	\$859	\$3,712	
<u>Twila Castellucci, Investment Officer</u>	\$35.23	30.10%	50.00		\$1,762	\$530	\$2,292	
Revised policies and procedures necessary for accumulating quarterly reports.								
<u>Michael Smith, Treasurer</u>	\$57.06	30.10%	4.00		\$228	\$69	\$297	
<u>Twila Castellucci, Investment Officer</u>	\$35.23	30.10%	15.00		\$528	\$159	\$688	
<u>Garry Aquilino</u>	\$42.89	30.10%	2.00		\$86	\$26	\$112	
Time to prepare and render the annual statement of investment policy for the County.								
<i>Excessive time to update investment policy (8 pages) for mandated changes.</i>								
<i>No time sheets or detailed description of tasks performed.</i>								
<i>Cut to 20% to allow reasonable time</i>								
					<i>20%</i> = 1091	<i>20%</i> = 329	<i>20%</i> = 1420	

(05) Total [] Subtotal [] Page: ___ of ___

\$5,457 \$4,843 \$7,100

**MANDATED COSTS
INVESTMENT REPORTS
COMPONENT / ACTIVITY COST DETAIL**

**FORM
INR-2**

(01) Claimant: **Marin County**

(02) Fiscal year costs were incurred: **1996-97**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

- Statement of Investment Policy
 Quarterly Report of Investments

(04) Description of Expense: Complete columns (a) through (h)

Object Accounts

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
Michael Smith, Treasurer	\$57.06	30.10%	12.00		\$685	\$206	\$891	
Twila Castellucci, Investment Officer	\$35.23	30.10%	51.00		\$1,797	\$541	\$2,338	
Gary Aquilino	\$42.89	30.10%	12.00		\$515	\$155	\$670	
Ms. Castellucci prepared the Quarterly investment reports, and Mr. Smith and Mr. Aquilino reviewed these reports prior to submission to the Board. <i>OK</i>								
Twila Castellucci, Investment Officer <i>(15 minutes per day x 200 days in this year)</i>	\$35.23	30.10%	50.00		\$4,762	\$530	\$2,292	
These individuals input transactions necessary for the compilation of various reports to be included in the mandated quarterly reports.				<i>Daily/monthly accounting functions are NOT mandated.</i>				
Modifying program for report format change. <i>OK</i>	\$35.23	30.10%	2.00		\$70	\$21	\$92	
Edith Simonson, Accountant II	\$25.91	30.10%	24.00		\$622	\$187	\$809	
Verifies transactions.								
Mei Zhuang, Accounting Assistant <i>(10 minutes per day x 200 days per year)</i>	\$17.28	30.10%	33.33		\$576	\$175	\$749	
Inputs trade info and reconciles								
Sympro Report Writer & Market Pricing Software				<i>Software not mandated. Only QTY FIM is needed. Annual maintenance fee for daily transactions + computer usage</i>	\$2,534	NO INVOICE		
Natalia Boyadjieva, programmer Programming reports for quarterly requirements.				<i>No Documentation</i>	\$750			
					-0- 3067	2(2) 923	2(3) 3990	
(05) Total [] Subtotal [] Page: ___ of ___					\$3,284	\$6,026	\$1,814	\$7,840

DIRECT COST RATE PROPOS

Claimant Name: Marin County, California
Mandate:
Department: Treasurer (123)
Fiscal Year: 1996-1997

DESCRIPTION OF COSTS	Total Costs	(1)	(2)	(3)
		Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
	(\$)	(\$)	(\$)	(\$)
Personnel Services:				
1 Salaries & Wages	\$908,230		\$111,093	\$797,137
2 Part-time Wages & Overtime	\$41,127			\$41,127
3 Benefits 30.1%	\$273,052		\$33,399	\$239,653
SUBTOTAL:	\$1,222,409		\$144,492	\$1,077,917
Line Item Costs (Services, Supplies, & Other):				
4 Office Equip Repr & Maint	\$15,304		\$15,304	
5 Office Supplies	\$44,938		\$44,938	
6 Document Reprod	\$16,684		\$16,684	
7 Investigations	\$3,672			\$3,672
8 Publ & Legal Notices	\$10,995			\$10,995
9 Miscellaneous Fees	\$1,841			\$1,841
10 Training	\$6,600		\$6,600	
11 Bank Charges	\$74,638			\$74,638
12 Conferences	\$2,714		\$2,714	
13 Mileage & Travel	\$2,176		\$2,176	
14 Contract Services	\$22,593			\$22,593
15 Data Process Equip	\$9,344	\$9,344		
16 Capitalized Lease Purch	\$1,445	\$1,445		
17 Vehicle Maint	\$215		\$215	
18 Vehicle Replacement	\$412	\$412		
19 Telephone Charges	\$19,618		\$19,618	
20 Pro Rata Costs Received	\$29,041	\$29,041		
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
SUBTOTAL:	\$262,230	\$40,242	\$108,249	\$113,739
TOTAL EXPENDITURES:	\$1,484,639			
Cost Adjustments and/or Cost Plan Costs:				
31				
32				
SUBTOTAL:				
TOTAL COSTS:	\$1,484,639	\$40,242	\$252,741	\$1,191,656
CALCULATED INDIRECT COST RATE:		\$252,741	23%	
		\$1,077,917	Salaries, Wages, & Benefits	

* Sum of Direct Salaries including part-time and overtime and Benefits.

DEPARTMENTAL INDIRECT SALARIES

Claimant Name: Marin County, California
 Mandate:
 Department: Treasurer (123)
 Fiscal Year: 1996-1997

INDIRECT SALARIES

Position or Name of Employee	Annual Wages	Departmental Administration		Departmental Support	
		(%)	(\$)	(%)	(\$)
1 Assistant Treasurer	\$73,029	100.0%	\$73,029		
2 Admin Services Assistant I	\$38,064			100.0%	\$38,064
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
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24					
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26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					

TOTAL	\$111,093	\$73,029	\$38,064
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TOTAL INDIRECT SALARIES \$111,093

COUNTY OF MARIN
STATE OF CALIFORNIA
BUDGET UNIT FINANCING USES DETAIL

COUNTY BUDGET FORM
SCHEDULE 9

EXPENDITURE AMOUNTS

FINANCING USES CLASSIFICATION (1)	OBJECT	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1995 (2)	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1996 (3)	FINAL BUDGET FOR YEAR ENDED JUNE 30, 1997 (4)	ACTUAL & ESTIMATED YEAR ENDED JUNE 30, 1997 (5)	REQUESTED YEAR ENDED JUNE 30, 1998 (6)	ALLOWED BY BOARD OF SUPERVISORS YEAR ENDING JUNE 30, 1998 (7)
TREASURER-TAX COLLECTOR 123							
PROJECTS & FIXED ASSETS							
FAX EQUIPMENT	4882	674.68				2,000.00	2,000.00
MIS FURNITURE & UFC EQUI	4985	10,553.16	11,895.39	7,504.00	1,444.71	22,000.00	22,000.00
CAPITALIZED LEASE PURCHASE	4999	31,003.88	40,555.85		10,788.33	1,621,863.00	1,525,437.00
OBJECT CLASS TOTAL		1,361,663.80	1,445,538.15	1,485,791.00	1,435,354.25		
DIRECT CHGS AND APPROP							
INTER-DEPARTMENTAL CHARGES							
AUDIT SERVICES CHARGED	5017					12,829.00	12,829.00
VEHICLE MAINTENANCE CHARG	5025	509.00	1,000.00	215.00	215.00	431.00	431.00
VEHICLE REPLACEMENT CHARG	5035	720.00	266.00	412.00	412.00	703.00	703.00
TELEPHONE CHARGED	5071	16,660.00	18,733.00	19,618.00	19,618.00	19,027.00	19,027.00
RENT CHARGED	5073	250.00	125.00			134,256.00	134,256.00
COUNTY BUILDINGS CHARGED	5086						
PRO RATA COSTS RECEIVED	5095	41,682.00	46,682.00				
SALARIES & BENEFITS CHARGE	5603	23,543.00	26,558.00	45,254.00	29,041.00	167,246.00	167,246.00
OBJECT CLASS TOTAL		1,338,120.80	1,418,980.15	1,551,290.00	1,484,640.25	1,789,109.00	1,692,683.00
GENL FUND TOTAL 102							
MEMO: INCL IN REVENUE ACCRUAL							
INTEREST INCOME	9201	2,847,372.88	3,297,781.14	2,527,164.00	3,694,490.80	3,650,000.00	3,650,000.00
MANDATED COSTS STATE	9308	7,222.50	4,033.48		2,459.00	2,459.00	2,459.00
AB2557 PROP TAX ADM CHARG	9516	205,895.00	200,688.90	205,915.00	180,778.11	244,553.00	244,553.00
REIMB INVEST/BANK COSTS	9517	377,484.13	465,591.00	420,673.00	387,945.48	393,634.00	393,634.00
ESTATE FEES	9553	229,109.23	268,941.92	180,000.00	234,515.01	236,237.00	236,237.00
MICROFICHE REIMBURSEMENT	9590	23,050.00	25,700.00	15,000.00	23,125.01	23,000.00	23,000.00
RECORDING FEES	9593						
OTH TAX COLL BOND SVC CH	9715	1,053.77	2,337.17	1,100.00	2,089.21	500.00	500.00
BANKCARD FEES	9719						
OTH MISC REIMB & REIMB	9773	364.72	4,553.48	1,300.00	16,262.22	1,000.00	1,000.00
OTHER MISC INCOME	9774	2,407.19	37.74		10,638.20	8,000.00	8,000.00
OTH REIMB PHONE EXP	9792	19.75	7.36		73.73	15.00	15.00
REVENUE TOTALS		3,693,979.17	4,269,672.19	3,351,152.00	4,552,376.77	4,559,398.00	4,559,398.00

TREASURER-TAX COLLECTOR - #123

This budget includes the costs of receiving, safeguarding, disbursing, and investing funds of the County, school districts and special districts. Other costs include bond administration and collection of property taxes, transient occupancy taxes, and health permit fees. The Treasurer-Tax Collector also acts as Public Administrator, safeguarding and settling estates for County residents who die without a will or close relatives, or when appointed as administrator by the Court.

Dollar Needs

The department's budget reflects reductions in FY 1995-96 and FY 1996-97 to comply with the Administrator's requested funding level.

BUDG CNTR	BARG UNIT	WK CP	JOB CLASS	JOB CLASS TITLE	PRIOR ALLOC.	ADJUSTED ALLOC.	REQUESTED ALLOC.	APPROVED ALLOC.	BIWEEKLY SALARY SCALE - AS OF					STEP 5
									STEP 1	STEP 2	STEP 3	STEP 4	08/16/96	
123	20	F	0107	TREASURER TAX COLLECTOR	1.00	1.00	1.00	1.00	1,215.00	1,274.25	1,334.25	1,397.25	1,465.00	3,738.40
123	21	F	0109	ASST TREAS-TAX COLL/PUB	1.00	1.00	1.00	1.00	1,193.25	1,245.75	1,302.75	1,362.00	1,420.50	2,808.80
123	23	F	0318	ADMINST SVCS ASST I	1.00	1.00	1.00	1.00	1,312.50	1,370.25	1,432.50	1,498.50	1,562.25	1,465.00
123	04	F	0330	TREASURER/TAX COL OFF I	1.00	2.00	2.00	2.00	1,418.25	1,481.25	1,551.00	1,622.25	1,696.50	1,562.25
123	04	F	0336	TREASURER/TAX COL OFF II	1.00	1.00	1.00	1.00	1,418.25	1,481.25	1,551.00	1,622.25	1,696.50	1,562.25
123	04	F	0370	ACCOUNTANT II	1.00	1.00	1.00	1.00	1,748.80	1,832.00	1,920.00	2,014.40	2,113.60	1,627.50
123	03	F	0516	DEPUTY PUBLIC ADMIN II	1.00	1.00	1.00	1.00	1,107.75	1,156.50	1,205.25	1,262.25	1,314.75	2,113.60
123	23	F	0526	CHIEF DEPUTY PUBLIC ADMIN	1.00	1.00	1.00	1.00	1,103.25	1,151.25	1,200.00	1,255.50	1,309.50	1,314.75
123	03	F	0530	DEPUTY PUBLIC ADMINISTR I	1.00	1.00	1.00	1.00	955.50	996.00	1,039.50	1,083.75	1,131.00	1,309.50
123	01	F	1390	SENIOR ACCOUNTING ASST	4.00	5.00	5.00	5.00	955.50	996.00	1,039.50	1,083.75	1,131.00	1,131.00
123	01	F	1391	ACCOUNTING ASSISTANT	7.00	5.00	5.00	5.00	955.50	996.00	1,039.50	1,083.75	1,131.00	1,131.00
123	23	F	1490	INVESTMENT-CASH MGMT OFF	1.00	1.00	1.00	1.00	1,666.50	1,746.00	1,830.00	1,917.00	2,007.75	2,007.75
123	23	F	1511	CHIEF DEPUTY TAX COLLECTR	1.00	1.00	1.00	1.00	1,666.50	1,746.00	1,830.00	1,917.00	2,007.75	2,007.75
123	01	F	1512	PROPERTY TAX TECHNICIAN	1.00	1.00	1.00	1.00	1,140.00	1,195.50	1,250.25	1,310.25	1,373.25	1,373.25
123					23.00*	22.00*	22.00*	22.00*						

COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY

Under the authority delegated to the County Treasurer by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin:

I. OBJECTIVES:

All funds on deposit with the County Treasurer shall be invested in accordance with the California Government Code to ensure:

- (a) Preservation of capital through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping;
- (b) Maintenance of sufficient liquidity to enable the County of Marin, Schools, Districts and other depositors to meet their operating requirements; and
- (c) A rate of return consistent with the above objectives.

2. PARTICIPANTS

Participants in the Marin County Pool shall be limited to Marin County, Marin County Schools, districts under the control of the County Board of Supervisors, autonomous/independent districts whose treasurer is the Marin County Treasurer, and any other district or agency approved by the Board of Supervisors and the County Treasurer using the County of Marin as their fiscal agent.

3. AUTHORIZED PERSONS

All investment decisions shall be made by either the Investment Officer, Assistant Treasurer or Treasurer, and in the absence of the Investment Officer, the Treasury Supervisor is authorized to make investment decisions for overnight and up to thirty (30) day investment of cash balances, in accordance with and subject to the limitations as set forth in this policy.

All investment decisions shall be made with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity 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 County, Schools, Districts, and other depositors.

4. BIDS & PURCHASE OF SECURITIES

Prior to the purchase of an investment pursuant to this policy the persons authorized to conduct investments shall assess the market and market prices using information obtained from available sources including investment services, broker/dealers, and the media. Bids for various investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor and lastly, yield. Investments in commercial paper, bankers acceptances and certificates of deposit for each issuer shall be limited to 5% of Treasury assets, determined using the Treasury balance at the time of purchase. The investment selected for purchase shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All security transactions shall be documented at the time the transaction is consummated using a Security Transaction form. (Exhibit 1)

5 TERM

The average maturity of Operating Funds shall not exceed one (1) year and the maximum term of a specific investment for operating funds shall not exceed two (2) years, except that investments placed in a managed financial institution investment account may not exceed three (3) years and the managed account shall have an average maturity of 1.5 years or less.

Non-operating Funds such as Capital Funds, Construction Funds or money obtained through the sale of agency surplus property, may be invested by the Treasurer in longer term securities provided the Treasurer obtains written approval from the governing board of the County, School or District. No investment of non-operating funds shall have a term to maturity in excess of five (5) years.

Proceeds of sales or funds set aside for the repayment of any notes shall not be invested for a term that exceeds the term of the notes.

6. ALLOWED INVESTMENTS

Pursuant to California Government Code Sections 53601, 53635 and 53637, the County Treasurer may invest in the following subject to the limitations as set forth:

- (a) United States Treasury obligations.
- (b) United States Agency obligations.
- (c) Federal instrumentalities.
- (d) State of California Bonds and Registered Warrants.
- (e) Bonds, Notes, Warrants or other evidence of indebtedness of a local agency within the State of California.

(f) Bankers acceptances not to exceed 270 days to maturity or at the time of purchase 40 percent of the treasury fund balance.

(g) Commercial paper rated either A-1, P-1, F-1 or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 and having an "A" or higher rating for the issuer's debt as provided for by Fitch Investor Services, Moody's Investors Service or Standard and Poor's Corporation; not to exceed 180 days in maturity or more than 10 percent of the outstanding paper of the issuing corporation. Purchase of eligible commercial paper may not exceed fifteen percent (15%) of the treasury fund balance. An additional fifteen percent (15%) or a total of thirty percent (30%) may be reinvested provided the dollar-weighted average maturity of the additional fifteen percent (15%) does not exceed 31 days.

(h) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a state or federal association or by a state-licensed branch of a foreign bank selected on the basis of financial stability and credit rating criteria employed by the County Treasurer. Negotiable certificates of deposit may not exceed 30 percent (30%) of the treasury fund balance.

(i) Non-negotiable certificates of deposit (Time Deposits) with a nationally or state-chartered bank or a state or federal association selected on the basis of financial stability, credit rating and reputation using criteria employed by the County Treasurer, fully collateralized at 110 percent of market value with U.S. Government Securities, high-grade Municipal Bonds, instruments of federal agencies, including mortgage backed securities at 150 percent (150%) of market value with promissory notes secured by first deeds of trust upon improved residential real property as provided by the Government Code.

(j) Medium-term Notes rated A or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 with a maturity not to exceed two years from the date of purchase. Purchase of eligible medium-term notes may not exceed 30 percent (30%) of the treasury fund balance.

(k) Shares of beneficial interest issued by diversified management companies, investing in securities and obligations as authorized by this investment policy. To be eligible for investment these companies shall attain the highest ranking or the highest letter and numerical rating provided by not less than two or the three largest nationally recognized rating services and have assets under management in excess of \$500,000,000.00. The purchase price may not include any commissions that these companies may charge, and the purchase of such shares may not exceed 15 percent (15%) of the treasury balance.

(l) Repurchase agreements on any investment authorized by this investment policy where the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities, and the value shall be adjusted daily. The County Treasurer or designee must approve any collateral substitution by the seller, and any new collateral should be reasonably identical to the original collateral in terms of maturity, yield, quality and liquidity.

(m) California State Local Agency Investment Pool (LAIF) operated by the State Treasurer's office.

(n) Financial Institution Investment Accounts - All funds on deposit with the County shall be managed by the County Treasurer, except that the Treasurer may, at his option, at the time of placement, place not more than 5% of the Treasury assets with a financial institution for the purpose of managing such funds. Securities eligible for purchase by the financial institution are limited to United States Treasury and Agency obligations with a AAA credit quality rating, must be held in the County's name in a third party custody account, may not exceed three (3) years, and the account shall have an average maturity of 1.5 years or less. All security transactions shall be supervised and approved by the Investment Officer, Assistant Treasurer or Treasurer.

7 PROHIBITED INVESTMENTS

(a) The County Treasurer shall not invest in any Derivatives such as inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages or any security bearing a rate of interest which is not known at the time of purchase.

(b) The County Treasurer shall not invest any funds in any security that could result in zero interest accrual if held to maturity or where there is a risk of loss of principal when held to maturity.

(c) Reverse repurchase agreements, securities lending agreements and all other investments which are not specifically allowed by this investment policy are prohibited.

(d) In accordance with Marin County's Nuclear Freeze Ordinance Measure "A" (Exhibit 2) as approved by the voters on November 4, 1986, the County is prohibited from investing in securities or other obligations of any corporation or business entity which is a nuclear weapons contractor. Furthermore, said corporations or business entities that the County Treasurer does invest in must file an affidavit as required by Measure "A" Section VI. B certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors. A copy of each affidavit received shall be sent to the Peace Commission.

8. BROKERS

Broker/dealers shall be selected based upon the recommendation of the Investment Officer subject to the approval of the Treasurer and Assistant Treasurer. Selection of broker/dealers from among the primary dealers, major money center banks and other firms shall be based upon the following criteria: the reputation and financial strength of the company or financial institution and the reputation and expertise of the individuals employed. The Treasurer shall be prohibited from selecting any broker, brokerage firm, dealer, or securities firm that has, within any 48 consecutive month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the Board of Supervisors, any member of the governing board of a local agency having funds held in the County Treasury, or any candidate for those offices. No broker/dealer shall be approved unless such broker/dealer agrees to comply with the provisions of the Marin County Investment Policy. The broker/dealers shall acknowledge receipt of the County Investment Policy and agree to comply with the policy in the course of conducting business with the County Treasurer.

9. WITHDRAWALS

No withdrawals from the Marin County Pool shall be made for the purpose of investing and or depositing those funds outside the pool without the prior approval of the Marin County Treasurer. The Treasurer shall evaluate each proposed withdrawal to assess the effect the withdrawal will have upon the stability and predictability of the investments in the County Treasury. Approval shall be given unless the withdrawal will adversely affect the interests of the other depositors. Requests for withdrawals for the purpose of investing or depositing funds outside the pool shall be made in writing at least ten (10) business days in advance of the proposed withdrawal date. Notice in writing of at least five (5) business days shall be required for withdrawals in excess of \$250,000.00 for loan repayments, capital expenditures and any expenditure not in the ordinary course of operations.

10. SWAPS

Securities can be swapped for other approved securities with similar maturity schedules to gain higher rates of return. When a swap involves a change in liquidity, future cash needs shall be conservatively estimated.

11. LOSSES

Losses are acceptable on a sale before maturity, and may be taken if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

12. DELIVERY & SAFEKEEPING

Delivery of all securities shall be through a third-party custodian. Non-negotiable certificates of deposit shall be held in the Treasurer's safe. All other securities shall be held by the County's safekeeping agent. No security shall be held in safekeeping by the broker/dealer from whom it was purchased. Settlement payment in a securities transaction will be against delivery only, and a Due Bill or other substitution will not be acceptable. All confirmations must be reviewed for conformity with the original transaction by an individual who did not originate the transaction. Confirmations resulting from securities purchased under a repurchase agreement shall state the exact and complete nomenclature of the underlying securities purchased.

13. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to all pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting whereby interest will be apportioned for the quarter in which it was actually received. The Treasurer shall deduct from the gross interest received those ~~budgeted~~ actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

14. CONFLICT OF INTEREST

A member of the county treasury oversight committee, the County Treasurer, Assistant Treasurer or County employee working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other person with whom the county treasury conducts business in violation of law.

15. AUDITS

The County Auditor shall audit the County Treasurer's office investment function for compliance with policy and state law. The results of this audit shall be reported annually to the Treasurer and the Marin County Treasury Oversight Committee. The County Auditor may issue interim reports as needed. (See Exhibit 3 for the County Resolution establishing the oversight committee.) The investment safekeeping statements shall be audited by the Treasurer's designee.

16. REVIEW

The County Treasurer and the Assistant Treasurer will perform a monthly review of the investment function.

17. REPORTS

The Treasurer shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Treasurer shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, districts, non-pooled investors, the County's investment oversight committee, and any other participant upon request. The Treasurer will provide the County Auditor with a report of each investment at the time each transaction is completed.

18. INVESTMENT POLICY

The County Treasurer shall prepare and submit an annual statement of investment policy to the Board of Supervisors. Consistent with State law the County and Districts have established a Treasury Oversight Committee, and the committee shall review and monitor the policy as required by law.

Dated: April 16, 1997

Michael J. Smith
Marin County Treasurer

SECURITY TRANSACTION

TRADE DATE/TIME _____ / _____

AUTHORIZED BY _____
MARIN COUNTY TREASURER

BANK/FIRM _____

CONTACT _____

TRANSACTION TYPE BUY SELL SWAP

SECURITY DESCRIPTION _____

PAR AMOUNT _____

CUSIP # _____

SETTLEMENT DATE _____

COUPON _____

PRICE/DISCOUNT _____

LAST COUPON PAYMENT
OR ISSUE DATE _____

MATURITY DATE _____

INTEREST PAYMENT _____

YIELD _____

NUMBER OF DAYS _____

CALL DATE _____

COST: PRINCIPAL _____

ACCRUED INTEREST _____

TOTAL _____

WIRE/DELIVERY INSTRUCTIONS _____

PHYSICAL

DTC

SF FEDERAL RESERVE BANK

SAFEKEEPING NOTIFICATION

WIRE NOTIFICATION

BANK _____

BANK _____

CONTACT _____

CONTACT _____

DATE/TIME _____

DATE/TIME _____

BY _____

BY _____

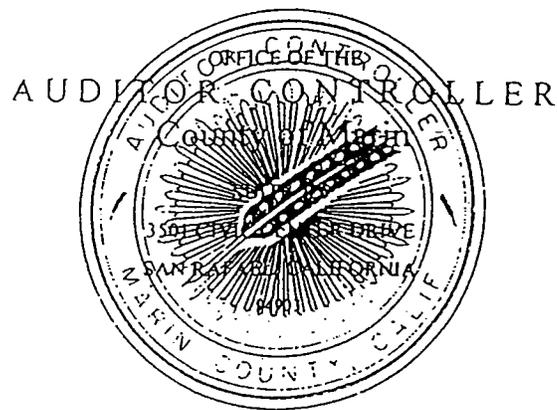
CC: AUDIT DIVISION

RICHARD S. ARROW, C.P.A.
Auditor-Controller

(415) 499-6154

ANNIKA WILKES
Assistant Auditor-Controller

FAX (415) 499-3785



INDEPENDENT ACCOUNTANT'S REPORT

County of Marin
Investment Oversight Committee

We have examined management's assertion, included in its representation letter dated August 15, 1996, that the County of Marin Treasury ("Treasury") complied with its Statement of Investment Policy ("Policy") during the fiscal year ended June 30, 1996. As discussed in that representation letter, management is responsible for the Treasury's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Treasury's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Treasury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Treasury's compliance with specified requirements.

In our opinion, management's assertion that the Treasury complied with its Statement of Investment Policy during the fiscal year ended June 30, 1996, is fairly stated, in all material respects.

Marin County Auditor-Controller

August 15, 1996

MEASURES SUBMITTED TO VOTE OF VOTERS
COUNTY

COUNTY OF MARIN
NUCLEAR FREE ZONE - MEASURE A

A - Shall the Initiative ordinance establishing the County of Marin as a nuclear-free zone, prohibiting the storage and limiting transportation of nuclear weapons related components and wastes, and prohibiting the manufacture of nuclear weapons components, establishing a Peace Conversion Commission, and restricting the County of Marin from contracting with or investing in nuclear weapons contractors, be enacted?"

MEASURE A
ORDINANCE FOR MARIN COUNTY NUCLEAR FREE ZONE
(Full Text of Ordinance)

WHEREAS, the County of Marin understands that the nuclear arms race threatens the health, safety, and economic well-being of the citizens of this County;

WHEREAS, the production, use, and threatened use of nuclear weapons violates the established principles of International Law and thereby the U. S. Constitution;

WHEREAS, an emphatic expression of the feelings of private citizens and local governments encourages a bilateral verifiable nuclear weapons freeze between the U. S. and U. S. R. and the people of the County of Marin have previously voted in favor of such a policy;

WHEREAS, the people of the County of Marin seek an end to the nuclear arms race and the redistribution of public resources towards human needs;

WHEREAS, the Marin County Board of Supervisor's previous publication of "The Nuclear Threat to Marin County" makes it clear that normal civil defense preparedness is unrealistic for this County in the event of a nuclear exchange, and that the only defense against nuclear war is the prevention of nuclear war;

WHEREAS, the use, storage, or transportation of weapons-related radioactive nuclear materials or wastes within or through the County of Marin poses a serious health, safety and environmental risk to the residents of this County;

WHEREAS, the presence of a nuclear weapons industry in this county could make Marin County the target of hostile military action or terrorism;

WHEREAS, the refusal of the County of Marin to support or to do business with nuclear weapons contractors may encourage those corporations to abandon their work on nuclear weapons in favor of work that contributes to the public welfare;

WHEREAS, the County's investment of "idle" public funds and public pension funds in, and the granting of public contracts to, corporations engaged in the research and production of nuclear weapons systems can be construed as condoning, encouraging, and supporting the nuclear arms race;

WHEREAS, the investment and expenditure of public funds should be based upon the premise that the people's money be used for the public welfare, within the constraints of local, state, national and international laws; and

... involvement of the people of the County of Marin in the nuclear arms race consists of economic investment in, and contracts with, nuclear weapons contractors; THEREFORE, THE PEOPLE OF THE COUNTY OF MARIN, CALIFORNIA, DO ORDAIN AS FOLLOWS:

Section I. A new ordinance for the County of Marin entitled Marin County Nuclear Free Zone, is hereby enacted to read as follows:

Section II. Purpose and Findings

The presence of nuclear weapons, or the development, production and/or storage of nuclear weapons-related components and material within the County of Marin is in direct conflict with the maintenance of the community's public health, safety, economic well-being, general welfare, and adherence to International Law

The purpose of this Ordinance is to establish the County of Marin as a Nuclear Free Zone in which work on nuclear weapons, and/or the storage or transportation of weapons-related components and nuclear material is prohibited, or appropriately restricted

This Ordinance's further purpose is to prohibit or restrict the County of Marin from contracting for services or products with, or investing County funds in, any business which is a nuclear weapons contractor

Section III. Definitions

As used in this ordinance the following words shall have the following definitions

A. Nuclear Weapon is any device the intended explosion of which results from the energy released by fission or fusion reactions involving atomic nuclei, including the means of propelling, guiding or triggering the device if the means is destroyed or rendered useless in the propelling, guiding, triggering or detonation of the device;

B. "Component of a Nuclear Weapon" is any device, radioactive or non-radioactive, originally produced or manufactured for exclusive use as part of a nuclear weapon system, whether to be placed on land at sea, in the air, or in outer space.

C. Special Nuclear Material" or "Radioactive Material" is any material giving off, or potentially capable of giving off radiant energy in the form of particles or rays (such as alpha, beta, and gamma rays) by the spontaneous disintegration of atomic nuclei, including accelerator-produced isotopes and by-product materials and any other material which the Nuclear Regulatory Commission determines to be special nuclear material;

D. "Nuclear Waste" is any material which is the by-product of any nuclear reaction or nuclear weapon production, except for the by-product of applied nuclear medicine.

E. "Nuclear Weapons Contractor" is any person, corporation, or other business entity, which knowingly or intentionally is engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components.

F. "Person" is any private person, corporation, institution, or other entity, which is within the jurisdiction of the County of Marin.

G. "Transport and Transportation" is transportation by any means over passable roadways, navigable waterways, or in the air-space, that are within the jurisdiction of the County of Marin, except where referred to as meaning roadways, waterways, or air-space regulated by pre-emptive Federal or State Law

H. "Direct Activities of the Federal Government" are the actions of the federal government or of its agencies but shall exclude the actions of independent contractors.

I. "County Funds" or "Public Funds" are those monies, grants, and funds received and managed by the County of Marin

THE COUNTY OF MARIN IS HEREBY DECLARED TO BE A NUCLEAR FREE ZONE.

- A. No person shall knowingly engage in any activity within the County of Marin, the purpose of which is the applied research, development, production, transport, deployment, launching, testing, maintenance or storage of nuclear weapons or components of nuclear weapons. Nor shall any person store, use, transport, or dispose of special nuclear material or nuclear waste within the jurisdiction of the County of Marin.
- B. The transportation of nuclear weapons, their fissionable components, and weapons-related nuclear material and wastes through the County of Marin on roadways, waterways, or in air-space regulated by preemptive State or Federal law, in the interest of public health and safety, is subject to the following restriction:
 - 1) As to roadways which are within the exclusive jurisdiction of the County of Marin transportation of such materials is prohibited.
 - 2) As to roadways which are demonstrably within the jurisdiction of the State, or Federal government, the County Board of Supervisors shall post as a regular monthly notice, once each month, in a newspaper of general circulation within this County the fullest description possible of any shipment of such material that has occurred that previous month, transported through or across the County of Marin by any means of transportation whatsoever.
- C. The County of Marin, or any agent thereof, shall not make any contract with, or investments in, any nuclear weapons contractor.

D. The County Board of Supervisors shall adopt a "Peace Conversion Plan", and shall, within 90 days of the enactment of this Ordinance, establish a County of Marin Peace Conversion Commission of not less than three or more than five members, which shall be comprised of volunteers from the community. The purpose of said Commission shall be to divest the County of Marin, as a government entity, within two years of the adoption of this ordinance, of all such existing prohibited investments or contracts held by it. Said Commission shall:

- 1) Conduct studies of existing County contracts and public fund investments with nuclear weapons contractors, and determine in which cases any reasonable alternative contract or investment exists, in a manner consistent with prudent investment policy, and mindful of the intent and purpose of this Ordinance. The Commission shall further make regular reports to the County Board of Supervisors concerning the progress of said divestiture, listing the book value of remaining investments in nuclear weapons contractors.
- 2) Identify those businesses presently existing and operating in the County of Marin, and those who have made application to the County of Marin, who are nuclear weapons contractors. The Commission will be responsible for conducting a timely phase-out of nuclear weapons contractors from the County of Marin, and for insuring the smooth conversion of Marin County businesses to alternative work that is more consistent with the public welfare. For this purpose the Commission shall solicit testimony from the public.

Section V. Exclusions

Nothing in this Ordinance shall be construed to prohibit:

- A. Any activity not specifically described in this Chapter;
- B. Research in and application of nuclear medicine or other pure research unrelated to nuclear weapons;
- C. Beneficial or peaceful uses of the technology such as smoke detectors, light-emitting watches and clocks, and other consumer products; or
- D. Activities of the Federal and State Government that are pre-empted by existing law

A. The County is directed to install and maintain appropriate signs to be displayed at each Ferry Terminal, at Gness Field Airport, and on all the major roads leading into the County of Marin, at or near the County line, including but not limited to the following:

- 1) U.S. Highway 101 (both ends)
- 2) State Highway 1 (both ends)
- 3) State Highway 17
- 4) State Highway 37
- 5) Fallon-Two Rock Road
- 6) Tomales-Petaluma Road
- 7) Chileno Valley Road
- 8) Marshall-Petaluma Road
- 9) Point Reyes-Petaluma Road

identifying Marin as a Nuclear Free Zone and making reference to this Ordinance. Further, the County must notify the Federal Government and other appropriate authorities that this law has been enacted.

B. Before any further public funds shall be invested by the County of Marin in the stock, securities or other obligations of any corporation or business entity, the County Board of Supervisors shall require that said corporation or business submit to the Peace Conversion Commission an affidavit certifying that neither it, nor its parent company, affiliates or subsidiaries are weapons contractors.

C. The County of Marin is directed to require of each city incorporated within Marin County that, in addition to any other information deemed necessary by its business license officer, that any application for a business license within a city in the County of Marin shall state whether or not said business is a nuclear weapons contractor.

D. Each violation of this Ordinance shall be punishable by up to one-half year imprisonment and/or a fine of up to \$500. Each day of violation shall be deemed a separate violation. Residents of Marin shall also have the right to enforce this ordinance by appropriate civil actions for declaratory or injunctive relief. Reasonable attorneys' fees in enforcing this ordinance shall be awarded as is appropriate.

Section VII. Severability. If any section, sub-section, paragraph, sentence or word of this ordinance shall be held unconstitutional, the unconstitutionality of the part of the ordinance shall not affect the other sections, sub-sections, paragraphs, sentences and words of this ordinance, all of which are intended to be severable.

Section VIII. This ordinance shall be in full force and effect thirty (30) days after passage and publication as provided by law.

COUNTY OF MARIN

***STATEMENT OF INVESTMENT
POLICY***



COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY

Under the authority delegated to the County Treasurer by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin:

I. OBJECTIVES:

All funds on deposit with the County Treasurer shall be invested in accordance with the California Government Code to ensure:

- (a) Preservation of capital through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping;
- (b) Maintenance of sufficient liquidity to enable the County of Marin, Schools, Districts and other depositors to meet their operating requirements; and
- (c) A rate of return consistent with the above objectives.

2. PARTICIPANTS

Participants in the Marin County Pool shall be limited to Marin County, Marin County Schools, districts under the control of the County Board of Supervisors, autonomous/independent districts whose treasurer is the Marin County Treasurer, and any other district or agency approved by the Board of Supervisors and the County Treasurer using the County of Marin as their fiscal agent.

3. AUTHORIZED PERSONS

All investment decisions shall be made by either the Investment Officer, Assistant Treasurer or Treasurer, and in the absence of the Investment Officer, the Treasury Supervisor is authorized to make investment decisions for overnight and up to thirty (30) day investment of cash balances, in accordance with and subject to the limitations as set forth in this policy.

All investment decisions shall be made with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity 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 County, Schools, Districts, and other depositors.

4. *BIDS & PURCHASE OF SECURITIES*

Prior to the purchase of an investment pursuant to this policy the persons authorized to conduct investments shall assess the market and market prices using information obtained from available sources including investment services, broker/dealers, and the media. Bids for various investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor and lastly, yield. Investments in commercial paper, bankers acceptances and certificates of deposit for each issuer shall be limited to five percent (5%) of Treasury assets, determined using the Treasury balance at the time of purchase, except that investments in overnight commercial paper shall be limited to the lesser of seven percent (7%) of Treasury assets or \$15,000,000. The investment selected for purchase shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All security transactions shall be documented at the time the transaction is consummated using a Security Transaction form. (Exhibit 1)

5. *TERM*

The average maturity of **Operating Funds** shall not exceed one (1) year and the maximum term of a specific investment for operating funds shall not exceed two (2) years, except that investments placed in a managed financial institution investment account may not exceed three (3) years and the managed account shall have an average maturity of 1.5 years or less.

Non-operating Funds such as Capital Funds, Construction Funds or money obtained through the sale of agency surplus property, may be invested by the Treasurer in longer term securities provided the Treasurer obtains written approval from the governing board of the County, School or District. No investment of non-operating funds shall have a term to maturity in excess of five (5) years.

Proceeds of sales or funds set aside for the repayment of any notes shall not be invested for a term that exceeds the term of the notes.

6. **ALLOWED INVESTMENTS**

Pursuant to California Government Code Sections 53601, 53635 and 53637, the County Treasurer may invest in the following subject to the limitations as set forth:

- (a) **United States Treasury obligations.**
- (b) **United States Agency obligations.**
- (c) **Federal instrumentalities.**
- (d) **State of California Bonds and Registered Warrants.**
- (e) **Bonds, Notes, Warrants or other evidence of indebtedness of a local agency within the State of California.**
- (f) **Bankers acceptances not to exceed two hundred seventy (270) days to maturity or at the time of purchase forty percent (40%) of the treasury fund balance.**
- (g) **Commercial paper rated either A-1, P-1, F-1 or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 and having an "A" or higher rating for the issuer's debt as provided for by Fitch Investor Services, Moody's Investors Service or Standard and Poor's Corporation; not to exceed one hundred eighty (180) days in maturity or more than ten percent (10%) of the outstanding paper of the issuing corporation. Purchase of eligible commercial paper may not exceed fifteen percent (15%) of the treasury fund balance. An additional fifteen percent (15%) or a total of thirty percent (30%) may be reinvested provided the dollar-weighted average maturity of the additional fifteen percent (15%) does not exceed thirty-one (31) days.**
- (h) **Negotiable certificates of deposit issued by a nationally or state-chartered bank, a state or federal association or by a state-licensed branch of a foreign bank selected on the basis of financial stability and credit rating criteria employed by the County Treasurer. Negotiable certificates of deposit may not exceed thirty percent (30%) of the treasury fund balance.**
- (i) **Non-negotiable certificates of deposit (Time Deposits) with a nationally or state-chartered bank or a state or federal association selected on the basis of financial stability, credit rating and reputation using criteria employed by the County Treasurer, fully collateralized at one hundred ten percent (110%) of market value with U.S. Government Securities, high-**

grade Municipal Bonds, instruments of federal agencies, including mortgage backed securities at one hundred fifty percent

(150%) of market value with promissory notes secured by first deeds of trust upon improved residential real property as provided by the Government Code.

(j) **Medium-term Notes** rated A or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 with a maturity not to exceed two years from the date of purchase. Purchase of eligible medium-term notes may not exceed thirty percent (30%) of the treasury fund balance.

(k) **Shares of beneficial interest issued by diversified management companies**, investing in securities and obligations as authorized by this investment policy. To be eligible for investment these companies shall attain the highest ranking or the highest letter and numerical rating provided by not less than two or the three largest nationally recognized rating services and have assets under management in excess of \$500,000,000.00. The purchase price may not include any commissions that these companies may charge, and the purchase of such shares may not exceed fifteen percent (15%) of the treasury balance.

(l) **Repurchase agreements** on any investment authorized by this investment policy where the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against those securities, and the value shall be adjusted daily. The County Treasurer or designee must approve any collateral substitution by the seller, and any new collateral should be reasonably identical to the original collateral in terms of maturity, yield, quality and liquidity.

(m) **California State Local Agency Investment Pool (LAIF)** operated by the State Treasurer's office.

(n) **Financial Institution Investment Accounts** - All funds on deposit with the County shall be managed by the County Treasurer, except that the Treasurer may, at his option, at the time of placement, place not more than five percent (5%) of the Treasury assets with a financial institution for the purpose of managing such funds. Securities eligible for purchase by the financial institution are limited to United States Treasury and Agency obligations with a AAA credit quality rating, must be held in the County's name in a third party custody account, may not exceed three (3) years, and the account shall have an average maturity of 1.5 years or less. All security transactions shall be supervised and approved by the Investment Officer, Assistant Treasurer or Treasurer.

7. **PROHIBITED INVESTMENTS**

(a) The County Treasurer shall not invest in any Derivatives such as inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages or any security bearing a rate of interest which is not known at the time of purchase.

(b) The County Treasurer shall not invest any funds in any security that could result in zero interest accrual if held to maturity or where there is a risk of loss of principal when held to maturity.

(c) Reverse repurchase agreements, securities lending agreements and all other investments which are not specifically allowed by this investment policy are prohibited.

(d) In accordance with Marin County's Nuclear Freeze Ordinance Measure "A" (Exhibit 2) as approved by the voters on November 4, 1986, the County is prohibited from investing in securities or other obligations of any corporation or business entity which is a nuclear weapons contractor. Furthermore, said corporations or business entities that the County Treasurer does invest in must file an affidavit as required by Measure "A" Section VI. B certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors. A copy a each affidavit received shall be sent to the Peace Commission.

8. **BROKERS**

Broker/dealers shall be selected based upon the recommendation of the Investment Officer subject to the approval of the Treasurer and Assistant Treasurer. Selection of broker/dealers from among the primary dealers, major money center banks and other firms shall be based upon the following criteria: the reputation and financial strength of the company or financial institution and the reputation and expertise of the individuals employed. The Treasurer shall be prohibited from selecting any broker, brokerage firm, dealer, or securities firm that has, within any 48 consecutive month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the Board of Supervisors, any member of the governing board of a local agency having funds held in the County Treasury, or any candidate for those offices. No broker/dealer shall be approved unless such broker/dealer agrees to comply with the provisions of the Marin County Investment Policy. The broker/dealers shall acknowledge receipt of the County Investment Policy and agree to comply with the policy in the course of conducting business with the County Treasurer.

9. *WITHDRAWALS*

No withdrawals from the Marin County Pool shall be made for the purpose of investing and or depositing those funds outside the pool without the prior approval of the Marin County Treasurer. The Treasurer shall evaluate each proposed withdrawal to assess the effect the withdrawal will have upon the stability and predictability of the investments in the County Treasury. Approval shall be given unless the withdrawal will adversely affect the interests of the other depositors. Requests for withdrawals for the purpose of investing or depositing funds outside the pool shall be made in writing at least ten (10) business days in advance of the proposed withdrawal date. Notice in writing of at least five (5) business days shall be required for withdrawals in excess of \$250,000.00 for loan repayments, capital expenditures and any expenditure not in the ordinary course of operations.

10. *SWAPS*

Securities can be swapped for other approved securities with similar maturity schedules to gain higher rates of return. When a swap involves a change in liquidity, future cash needs shall be conservatively estimated.

11. *LOSSES*

Losses are acceptable on a sale before maturity, and may be taken if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

12. *DELIVERY & SAFEKEEPING*

Delivery of all securities shall be through a third party custodian. Non-negotiable certificates of deposit shall be held in the Treasurer's safe. All other securities shall be held by the County's safekeeping agent. No security shall be held in safekeeping by the broker/dealer from whom it was purchased. Settlement payment in a securities transaction will be against delivery only, and a Due Bill or other substitution will not be acceptable. All confirmations must be reviewed for conformity with the original transaction by an individual who did not originate the transaction. Confirmations resulting from securities purchased under a repurchase agreement shall state the exact and complete nomenclature of the underlying securities purchased.

13. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to all pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting whereby interest will be apportioned for the quarter in which it was actually received. The Treasurer shall deduct from the gross interest received those actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

14. CONFLICT OF INTEREST

A member of the county treasury oversight committee, the County Treasurer, Assistant Treasurer or County employee working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other person with whom the county treasury conducts business in violation of law.

15. AUDITS

The County Auditor shall audit the County Treasurer's office investment function for compliance with policy and state law. The results of this audit shall be reported annually to the Treasurer and the Marin County Treasury Oversight Committee. The County Auditor may issue interim reports as needed. (See Exhibit 3 for the County Resolution establishing the oversight committee.) The investment safekeeping statements shall be audited by the Treasurer's designee.

16. REVIEW

The County Treasurer and the Assistant Treasurer will perform a monthly review of the investment function.

The Treasurer shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Treasurer shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, districts, non-pooled investors, the County's investment oversight committee, and any other participant upon request. The Treasurer will provide the County Auditor with a report of each investment at the time each transaction is completed.

17. REPORTS

The Treasurer shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Treasurer shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, districts, non-pooled investors, the County's investment oversight committee, and any other participant upon request. The Treasurer will provide the County Auditor with a report of each investment at the time each transaction is completed.

18. INVESTMENT POLICY

The County Treasurer shall prepare and submit an annual statement of investment policy to the Board of Supervisors. Consistent with State law the County has established a Treasury Oversight Committee. The committee includes representatives from the County, Schools and Districts. The committee reviews and monitors the policy as required by law.

Dated: July 1, 1998

Michael J. Smith
Marin County Treasurer



MAXIMUS

Helping Government Serve The People

July 20, 1998

Ms. Annika Wilkes
Asst. Auditor-Controller
Marin County
Civic Center, Room 225
San Rafael, CA 94903

Dear Annika:

I recently received a phone call from Peter Cianchetta from the State Controller's staff. He is requesting some additional information in order to complete his desk review of the Investment Reports claim. Specifically, he wants the following:

- ✓ Any source documentation supporting the time claimed by the Treasurer's office. Their first, most unrealistic, choice would be time sheets. If they exist, great...otherwise, calendars, declarations, etc. will have to do.
- ✓ A sample investment report for the past two years.
- ✓ The annual statement of investment policy for the past two years.

Of course, he would like this information as soon as possible. Realistically, I think we probably have a couple of weeks to comply with his request. Please give me a call at (916) 485-8102 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bradley Burgess', with a long horizontal flourish extending to the right.

J. Bradley Burgess
Director

DECLARATION OF MICHAEL J. SMITH

I, MICHAEL J. SMITH, MARIN COUNTY TREASURER,
declare that to the best of my knowledge I was required to spend 54 hours in the fiscal
year ended June 30, 1996, and 69 hours in the fiscal year ended June 30, 1997, to comply
with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.


MICHAEL J. SMITH

DECLARATION OF GARRY AQUILINO

I, GARRY AQUILINO, ASSISTANT MARIN COUNTY
TREASURER, declare that to the best of my knowledge I was required to spend 9 hours
in the fiscal year ended June 30, 1996, and 6 hours in the fiscal year ended June 30, 1997,
to comply with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.


GARRY AQUILINO

DECLARATION OF MEI ZHUANG

I, MEI ZHUANG, ACCOUNTING ASSISTANT, declare that to the best of my knowledge I was required to spend 43 hours in the fiscal year ended June 30, 1996, and 43 hours in the fiscal year ended June 30, 1997, to comply with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.


MEI ZHUANG

DECLARATION OF EDITH SIMONSON

I, EDITH SIMONSON, ACCOUNTANT II, declare that to the best of my knowledge I was required to spend 24 hours in the fiscal year ended June 30, 1996, and 24 hours in the fiscal year ended June 30, 1997, to comply with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.

Edith Simonson
EDITH SIMONSON

DECLARATION OF TWILA CASTELLUCCI

I, TWILA CASTELLUCCI, MARIN COUNTY INVESTMENT-CASH MANAGEMENT OFFICER, declare that to the best of my knowledge I was required to spend 137 hours in the fiscal year ended June 30, 1996, and 138 hours in the fiscal year ended June 30, 1997, to comply with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.


TWILA CASTELLUCCI

07/17/97

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 06/30/1997

IR-1-102R

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY PURCHASE		BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
				DATE	DATE		360	365		
142	LAI	2000000.00	5.667	06/30/1997	07/01/94	20,000,000.00	5.589	5.667	LOCAL AGENCY INVESTMENT FUND	20,000,000.00
1666	LAI	122361.15	5.667	06/30/1997	07/05/95	122,361.15	5.589	5.667	LOCAL AGENCY INVESTMENT FUND	122,361.15
2101	FAC	5000000.00	5.930	07/01/1997	07/02/96	5,000,390.63	5.922	6.004	FEDERAL FARM CREDIT BANK	5,000,000.00
2342	FAD	5000000.00	5.200	07/01/1997	01/03/97	4,870,722.22	5.338	5.412	FREDDIE MAC	4,870,722.22
2445	FAD	5000000.00	5.230	07/01/1997	03/17/97	4,923,002.78	5.312	5.386	FEDERAL FARM CREDIT BANK	4,923,002.78
2520	COM	5000000.00	5.550	07/01/1997	05/15/97	4,963,770.83	5.591	5.668	AMERICAN EXPRESS	4,965,704.86
2525	COM	5000000.00	5.510	07/01/1997	05/22/97	4,969,388.89	5.544	5.621	AMERICAN EXPRESS	4,965,704.86
2534	COM	3000000.00	5.510	07/01/1997	06/02/97	2,986,684.17	5.535	5.611	PRUDENTIAL FUNDING	2,986,159.17
2557	COM	6900000.00	6.080	07/01/1997	06/30/97	6,898,834.67	6.081	6.165	ASSOCIATES OF NORTH AMERICA	6,897,642.35
2398	FAD	5000000.00	5.200	07/02/1997	02/06/97	4,894,555.56	5.312	5.386	FANNIE MAE	4,923,828.33
2428	FAD	5000000.00	5.200	07/02/1997	02/28/97	4,910,444.45	5.295	5.368	FEDERAL HOME LOAN BANK	4,916,483.33
2440	COM	5000000.00	5.310	07/02/1997	03/11/97	4,916,662.50	5.400	5.475	BANK OF AMERICA	4,915,727.50
2450	FAD	5000000.00	5.310	07/02/1997	03/19/97	4,922,562.50	5.394	5.468	FEDERAL HOME LOAN BANK	4,916,483.34
2457	FAD	5000000.00	5.500	07/02/1997	03/26/97	4,925,138.89	5.594	5.661	FANNIE MAE	4,923,828.33
2460	FAD	5000000.00	5.510	07/02/1997	03/27/97	4,925,768.06	5.593	5.671	FANNIE MAE	4,923,828.33
2478	FAD	10000000.00	5.480	07/02/1997	04/10/97	9,873,655.56	5.550	5.627	FANNIE MAE	9,847,656.69
2554	COM	5000000.00	5.570	07/08/1997	06/27/97	4,991,490.28	5.579	5.657	FORD	4,990,605.56
2359	FAD	5000000.00	5.220	07/10/1997	01/10/97	4,868,775.00	5.361	5.435	FEDERAL HOME LOAN BANK	4,868,450.00
2354	FAD	5000000.00	5.220	07/15/1997	01/09/97	4,864,425.00	5.322	5.396	FEDERAL HOME LOAN BANK	4,863,875.00
2491	BCD	5000000.00	5.400	07/16/1997	04/16/97	5,000,000.00	5.400	5.475	WESTAMERICA BANK	5,000,000.00
2303	FAD	5000000.00	5.160	07/21/1997	12/10/96	4,840,183.33	5.305	5.379	FANNIE MAE	4,839,216.66
2233	TRC	5000000.00	5.875	07/31/1997	10/31/96	5,016,406.25	5.335	5.409	TREASURY NOTE	5,002,350.00
2393	FAD	5000000.00	5.210	07/31/1997	02/04/97	4,871,920.84	5.347	5.421	FEDERAL HOME LOAN BANK	4,870,729.17
2555	COM	5000000.00	5.550	08/04/1997	06/27/97	4,970,708.33	5.583	5.660	AMERICAN EXPRESS	4,970,460.17
2489	BAC	5000000.00	5.560	08/11/1997	04/16/97	4,909,650.00	5.662	5.741	BANK OF AMERICA	4,909,079.61
2302	FAD	5000000.00	5.160	08/18/1997	12/10/96	4,820,116.67	5.319	5.393	FANNIE MAE	4,817,866.67
2480	FAD	5000000.00	5.480	08/20/1997	04/11/97	4,900,294.44	5.592	5.669	FEDERAL FARM CREDIT BANK	4,900,650.00
2456	FAD	5000000.00	5.470	08/27/1997	03/25/97	4,882,243.06	5.602	5.680	FANNIE MAE	4,881,997.23
2442	BAC	5000000.00	5.360	09/05/1997	03/12/97	4,868,233.34	5.505	5.582	BANKERS TRUST	4,865,904.67
2238	TRC	5000000.00	5.600	09/30/1997	11/04/96	5,012,500.00	5.361	5.456	TREASURY NOTE	5,003,900.00
2479	FAD	5000000.00	5.600	10/16/1997	04/11/97	4,853,777.78	5.781	5.862	FANNIE MAE	4,855,250.00
2214	TRC	5000000.00	5.625	10/31/1997	10/22/96	5,001,953.13	5.507	5.583	TREASURY NOTE	5,001,550.00
2326	TRC	5000000.00	5.750	10/31/1997	12/19/96	5,008,984.38	5.451	5.527	TREASURY NOTE	5,003,900.00
2332	FAC	5000000.00	5.650	12/26/1997	12/26/96	5,000,000.00	5.573	5.650	FEDERAL HOME LOAN BANK	5,000,300.00
2311	FAC	5000000.00	5.790	01/21/1997	01/21/97	5,000,000.00	5.711	5.790	FEDERAL HOME LOAN BANK	4,996,850.00
2396	FAC	5000000.00	5.875	02/05/1997	02/05/97	5,000,000.00	5.795	5.875	FEDERAL HOME LOAN BANK	4,996,850.00
2515	FAC	5000000.00	5.535	02/25/1998	05/12/97	5,041,843.75	5.980	6.063	SALLIE MAE	4,991,400.00
2449	FAC	5000000.00	5.900	03/19/1998	03/19/97	5,000,000.00	5.879	5.900	FEDERAL HOME LOAN BANK	4,996,850.00
2471	FAC	5000000.00	6.000	04/07/1998	04/07/97	5,000,000.00	5.918	6.000	SALLIE MAE	4,996,850.00
2473	FAC	5000000.00	5.840	04/08/1998	04/08/97	4,990,900.00	6.030	6.114	FREDDIE MAC	5,005,450.00
2490	FAC	5000000.00	6.000	04/17/1998	04/17/97	4,995,200.00	6.100	6.185	FANNIE MAE	5,003,900.00
2499	FAC	5000000.00	6.190	04/24/1998	04/24/97	5,000,000.00	6.105	6.190	FEDERAL HOME LOAN BANK	4,996,850.00
2506	FAC	5000000.00	6.050	05/01/1998	05/01/97	4,996,484.38	6.124	6.209	FEDERAL FARM CREDIT BANK	5,006,250.00
2507	FAC	5000000.00	6.050	05/01/1998	05/01/97	4,992,800.00	6.201	6.287	FEDERAL FARM CREDIT BANK	5,006,250.00
2409	FAC	5000000.00	5.885	05/12/1998	02/12/97	4,999,000.00	5.804	5.885	FEDERAL HOME LOAN BANK	4,996,850.00
2112	FAC	5000000.00	6.455	07/08/1998	07/08/96	5,000,000.00	6.455	6.545	FEDERAL HOME LOAN BANK	5,005,450.00

07/17/97

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - POOLED INVESTMENT PROGRAM
COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
06/30/1997

IR-1-102R

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
<hr/>										
TOTAL		\$245,022,361.15				\$242,802,832.82				\$242,745,017.98
<hr/>										
AMORTIZATION & ACCRETION OF PRIMUMS & DISCOUNTS										
(43,593.10)										
<hr/>										
PURCHASED INTEREST										
59,193.75										
<hr/>										
\$242,759,239.72										
<hr/>										
\$242,804,211.73										

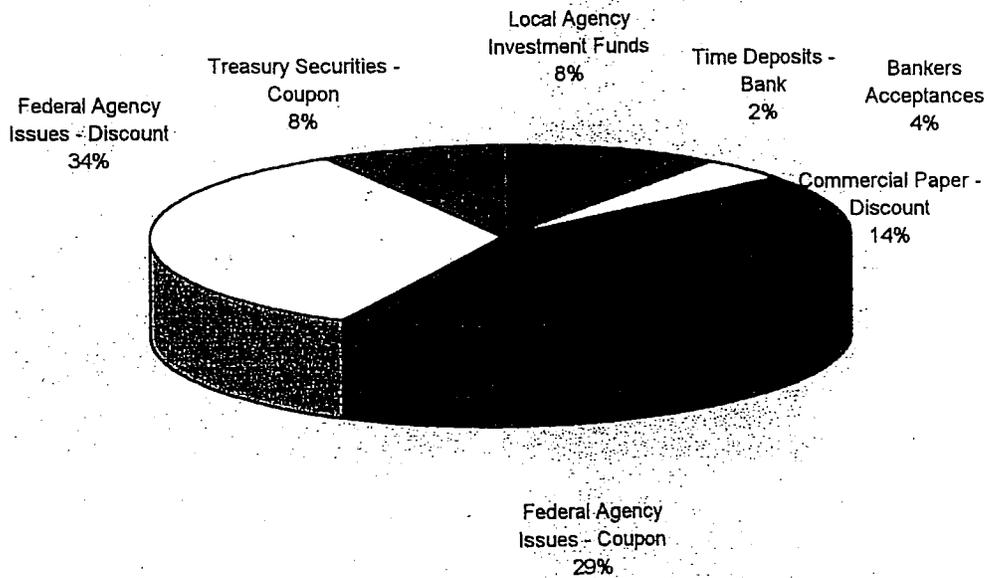
MICHAEL J. SMITH, MARIN COUNTY TREASURER
 PORTFOLIO SUMMARY REPORT - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 JUNE 1 - JUNE 30, 1997

DESCRIPTION	ENDING BALANCE	AVERAGE BALANCE	WEIGHTED AVERAGE	YIELD	YIELD
	JUNE 30, 1997	JUNE 30, 1997	DAYS TO MATURITY	6/1 - 6/30/97	TO MATURITY
LOCAL AGENCY INVESTMENT FUNDS	\$20,122,361.15	\$20,122,361.15	1	5.667	5.667
TIME DEPOSITS - BANK	5,000,000.00	5,000,000.00	15	5.475	5.475
BANKERS ACCEPTANCES	9,777,883.34	12,668,883.99	53	5.610	5.662
COMMERCIAL PAPER - DISCOUNT	34,697,539.67	28,077,709.31	6	5.570	5.725
FEDERAL AGENCY ISSUES - DISCOUNT	70,017,618.76	77,130,453.49	253	6.070	6.050
FEDERAL AGENCY ISSUES - COUPON	83,147,586.14	91,854,095.77	20	5.520	5.520
TREASURY SECURITIES - COUPON	20,039,843.76	24,846,648.36	91	5.460	5.494
TREASURY SECURITIES - DISCOUNT	0.00	0.00	0	0.000	0.000
TOTALS & AVERAGES	\$242,802,832.82	\$259,700,152.07	91	5.700%	5.717%

The Local Agency Investment Funds is an open ended account and is not included in the total weighted days to maturity.

Michael J. Smith, Marin County Treasurer
Pooled Investment Program
County of Marin, School & Special Districts
6/30/1997

INVESTMENT HOLDINGS	BOOK VALUE	Portfolio Yields
Local Agency Investment Funds	\$ 20,122,861.15	5.667
Time Deposits - Bank	\$ 5,000,000.00	5.475
Bankers Acceptances	\$ 9,777,682.34	5.662
Commercial Paper - Discount	\$ 31,697,589.67	5.725
Federal Agency Issues - Coupon	\$ 70,017,618.76	6.050
Federal Agency Issues - Discount	\$ 83,147,586.14	5.520
Treasury Securities - Coupon	\$ 20,039,843.76	5.494
TOTAL	\$ 242,802,832.82	5.717



07/17/97

IR-1-SRSR

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - NON OPERATING FUNDS
 SAN RAFAEL SCHOOLS
 06/30/1997

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
687	LA1	54,954.70	5.667	06/30/1997	07/01/92	54,954.70	5.589	5.667	LOCAL AGENCY INVESTMENT FUND	54,954.70
746	LA1	68,740.33	5.667	06/30/1997	07/01/92	68,740.33	5.589	5.667	LOCAL AGENCY INVESTMENT FUND	68,740.33
105	TRC	400,000.00	6.000	05/31/1998	05/31/96	399,702.78	5.957	6.040	TREASURY NOTE	400,812.00
103	FAC	400,000.00	6.435	05/21/1989	05/21/86	400,000.00	6.435	6.524	FEDERAL HOME LOAN BANK	401,688.00
104	FAC	300,000.00	6.320	08/03/2000	05/23/96	298,218.75	6.481	6.571	FANNIE MAE	299,532.00
102	FAC	300,000.00	6.690	05/16/2001	05/16/96	300,000.00	6.690	6.783	FEDERAL HOME LOAN BANK	302,109.00
TOTAL		\$1,523,695.03				\$1,521,616.56				\$1,527,836.03
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS						630.73				\$1,527,836.03
						\$1,522,247.29				\$1,527,836.03

07/17/97

IR-1-0499

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - NON OPERATING FUNDS
 LAS GALLINAS VALLEY SANITARY DISTRICT
 06/30/1997

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD	DESCRIPTION	FAIR MARKET VALUE
100	LA1	3,899,831.08	5.667	06/30/1997	07/01/92	3,899,831.08	5.589 5.667	LOCAL AGENCY INVESTMENT FUND	3,899,831.08
TOTAL		\$3,899,831.08				\$3,899,831.08			\$3,899,831.08

07/17/97

COUNTY OF MARIN
PURCHASES REPORT

PU-102

June 1, 1997 - June 30, 1997

INVESTMENT NUMBER	ISSUER CODE	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	YIELD 365	PRINCIPAL PURCHASED	ACCR. INT. PURCHASED	TOTAL
2533	FHLMC	FAD	9,400,000.00	5.520	06/03/1997	06/02/1997	5.675	9,398,558.67	0.00	9,398,558.67
2534	PRU	COM	3,000,000.00	5.510	07/01/1997	06/02/1997	5.689	2,986,684.17	0.00	2,986,684.17
2535	FHLMC	FAD	10,100,000.00	5.500	06/04/1997	06/03/1997	5.655	10,098,456.94	0.00	10,098,456.94
2536	ASSOC	COM	8,400,000.00	5.450	06/05/1997	06/04/1997	5.603	8,398,728.33	0.00	8,398,728.33
2537	ASSOC	COM	8,300,000.00	5.420	06/06/1997	06/05/1997	5.572	8,298,750.39	0.00	8,298,750.39
2538	ASSOC	COM	10,000,000.00	5.310	06/09/1997	06/06/1997	5.461	9,995,575.00	0.00	9,995,575.00
2539	ASSOC	COM	8,100,000.00	5.420	06/10/1997	06/09/1997	5.572	8,098,780.50	0.00	8,098,780.50
2540	ASSOC	COM	9,000,000.00	5.380	06/11/1997	06/10/1997	5.531	8,998,655.00	0.00	8,998,655.00
2541	PRU	COM	5,000,000.00	5.460	06/26/1997	06/11/1997	5.626	4,988,625.00	0.00	4,988,625.00
2542	ASSOC	COM	9,100,000.00	5.400	06/12/1997	06/11/1997	5.552	9,098,635.00	0.00	9,098,635.00
2543	ASSOC	COM	8,500,000.00	5.450	06/13/1997	06/12/1997	5.603	8,498,713.19	0.00	8,498,713.19
2544	FHLMC	FAD	7,500,000.00	5.400	06/16/1997	06/13/1997	5.554	7,496,625.00	0.00	7,496,625.00
2545	FHLMC	FAD	4,600,000.00	5.650	06/17/1997	06/16/1997	5.809	4,599,278.06	0.00	4,599,278.06
2546	FHLMC	FAD	5,600,000.00	5.500	06/18/1997	06/17/1997	5.655	5,599,144.44	0.00	5,599,144.44
2547	ASSOC	COM	10,100,000.00	5.460	06/19/1997	06/18/1997	5.614	10,098,468.17	0.00	10,098,468.17
2548	ASSOC	COM	9,900,000.00	5.350	06/20/1997	06/19/1997	5.500	9,898,528.75	0.00	9,898,528.75
2549	ASSOC	COM	7,200,000.00	5.350	06/23/1997	06/20/1997	5.502	7,196,790.00	0.00	7,196,790.00
2550	ASSOC	COM	8,000,000.00	5.400	06/24/1997	06/23/1997	5.552	7,998,800.00	0.00	7,998,800.00
2551	ASSOC	COM	6,300,000.00	5.350	06/25/1997	06/24/1997	5.500	6,299,063.75	0.00	6,299,063.75
2552	ASSOC	COM	6,600,000.00	5.300	06/26/1997	06/25/1997	5.449	6,599,028.33	0.00	6,599,028.33
2553	ASSOC	COM	9,700,000.00	5.380	06/27/1997	06/26/1997	5.531	9,698,550.39	0.00	9,698,550.39
2554	FORD	COM	5,000,000.00	5.570	07/08/1997	06/27/1997	5.736	4,991,490.28	0.00	4,991,490.28
2555	AMEX	COM	5,000,000.00	5.550	08/04/1997	06/27/1997	5.739	4,970,708.33	0.00	4,970,708.33
2556	ASSOC	COM	11,700,000.00	5.480	06/30/1997	06/27/1997	5.636	11,694,657.00	0.00	11,694,657.00
2557	ASSOC	COM	6,900,000.00	6.080	07/01/1997	06/30/1997	6.251	6,898,834.67	0.00	6,898,834.67
TOTAL			\$193,000,000.00					\$192,900,129.36	\$0.00	\$192,900,129.36

07/17/97

COUNTY OF MARIN
MATURING INVESTMENTS
June 1, 1997 - June 30, 1997

ACCRUAL

MI-1-102

MATURITY DATE	INVESTMENT NUMBER	TYPE	ISSUER	FACE VALUE AT PURCHASE	STATED RATE
06/02/1997	2294	BAC	BANK OF NEW YORK	5,000,000.00	5.337
06/02/1997	2532	FAD	FREDDIE MAC	8,600,000.00	5.533
06/03/1997	2307	BAC	BANK OF AMERICA	3,000,000.00	5.334
06/03/1997	2533	FAD	FREDDIE MAC	9,400,000.00	5.521
06/04/1997	2535	FAD	FREDDIE MAC	10,100,000.00	5.501
06/05/1997	2536	COM	ASSOCIATES OF NORTH AMERICA	8,400,000.00	5.451
06/06/1997	2315	FAD	FANNIE MAE	5,000,000.00	5.283
06/06/1997	2537	COM	ASSOCIATES OF NORTH AMERICA	8,300,000.00	5.421
06/09/1997	2538	COM	ASSOCIATES OF NORTH AMERICA	10,000,000.00	5.312
06/10/1997	2539	COM	ASSOCIATES OF NORTH AMERICA	8,100,000.00	5.421
06/11/1997	2304	FAD	FANNIE MAE	5,000,000.00	5.310
06/11/1997	2540	COM	ASSOCIATES OF NORTH AMERICA	9,000,000.00	5.381
06/12/1997	2542	COM	ASSOCIATES OF NORTH AMERICA	9,100,000.00	5.401
06/13/1997	2543	COM	ASSOCIATES OF NORTH AMERICA	8,500,000.00	5.451
06/16/1997	2544	FAD	FEDERAL HOME LOAN BANK	7,500,000.00	5.402
06/17/1997	2545	FAD	FREDDIE MAC	4,600,000.00	5.651
06/18/1997	2089	FAC	FEDERAL FARM CREDIT BANK	5,600,000.00	5.840
06/18/1997	2546	FAD	FREDDIE MAC	5,600,000.00	5.501
06/19/1997	2547	COM	ASSOCIATES OF NORTH AMERICA	10,100,000.00	5.461
06/20/1997	2548	COM	ASSOCIATES OF NORTH AMERICA	9,900,000.00	5.351
06/23/1997	2549	COM	ASSOCIATES OF NORTH AMERICA	7,200,000.00	5.352
06/24/1997	2550	COM	ASSOCIATES OF NORTH AMERICA	8,000,000.00	5.401
06/25/1997	2551	COM	ASSOCIATES OF NORTH AMERICA	6,300,000.00	5.351
06/26/1997	2541	COM	PRUDENTIAL FUNDING	5,000,000.00	5.472
06/26/1997	2552	COM	ASSOCIATES OF NORTH AMERICA	6,600,000.00	5.301
06/27/1997	2095	FAC	FEDERAL HOME LOAN BANK	5,000,000.00	5.875
06/27/1997	2343	BAC	REPUBLIC NEW YORK	3,000,000.00	5.387
06/27/1997	2399	FAD	FREDDIE MAC	5,000,000.00	5.298
06/27/1997	2553	COM	ASSOCIATES OF NORTH AMERICA	9,700,000.00	5.381
06/30/1997	2293	TRC	TREASURY NOTE	5,000,000.00	6.375
06/30/1997	2556	COM	ASSOCIATES OF NORTH AMERICA	11,700,000.00	5.483

TOTAL

\$222,700,000.00

07/17/97

IR-1-0662R

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - NON-OPERATING FUNDS
 REED SCHOOL DISTRICT
 06/30/1997

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
126	FAC	300000.00	5.910	06/11/98	06/11/97	300,000.00	5.829	5.910	FEDERAL HOME LOAN BANK	299,811.00
116	TRC	300000.00	5.250	07/31/98	02/06/95	281,156.25	7.216	7.317	TREASURY NOTE	298,173.00
113	TRC	300000.00	5.875	03/31/99	04/11/94	294,937.50	6.187	6.273	TREASURY NOTE	299,298.00
123	FAC	300000.00	6.100	02/10/00	07/10/96	292,935.00	6.756	6.850	FANNIE MAE	298,696.00
124	FAC	300000.00	5.720	03/08/01	09/20/96	288,750.00	6.613	6.705	FANNIE MAE	292,641.00
122	FAC	300000.00	6.625	05/21/01	05/21/96	300,000.00	6.534	6.625	FANNIE MAE	301,359.00
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TOTAL		\$1,800,000.00				\$1,757,778.75				\$1,789,968.00
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS										
						22,804.37				
PURCHASED INTEREST										
										0.00
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						\$1,780,583.12				\$1,789,968.00

07/16/98

IR-1-102R

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 06/30/1998

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY PURCHASE		BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
				DATE	DATE		360	365		
142	LA1	20000000.00	5.671	06/30/1998	07/01/94	20,000,000.00	5.593	5.671	LOCAL AGENCY INVESTMENT FUND	20,000,000.00
1666	LA1	129444.20	5.671	06/30/1998	07/05/95	129,444.20	5.593	5.671	LOCAL AGENCY INVESTMENT FUND	129,444.20
2888	FAD	5000000.00	5.380	07/01/1998	04/08/98	4,937,233.34	5.448	5.524	FARMER MAC	4,937,233.34
2987	COM	13000000.00	5.950	07/01/1998	06/30/98	12,997,851.39	5.951	6.034	ASSOCIATES OF NORTH AMERICA	12,995,593.29
2983	COM	5000000.00	5.700	07/02/1998	06/26/98	4,995,250.00	5.705	5.785	FORD	4,993,637.17
2984	COM	5000000.00	5.570	07/02/1998	06/26/98	4,995,250.00	5.705	5.785	PRUDENTIAL FUNDING	4,993,637.17
2976	COM	5000000.00	5.570	07/06/1998	06/22/98	4,989,169.44	5.582	5.660	PRUDENTIAL FUNDING	4,987,561.00
2988	COM	5000000.00	5.700	07/06/1998	06/30/98	4,995,250.00	5.705	5.785	CARGIL	4,993,731.83
2859	BAC	5000000.00	5.390	07/08/1998	03/17/98	4,915,406.95	5.483	5.559	BANK OF AMERICA	4,913,716.73
2898	FAD	5000000.00	5.350	07/10/1998	04/10/98	4,932,381.94	5.423	5.499	FANNIE MAE	4,932,119.44
2799	FAD	5000000.00	5.240	07/15/1998	01/21/98	4,872,638.89	5.377	5.452	FEDERAL HOME LOAN BANK	4,872,127.78
2955	FAD	5000000.00	5.420	07/17/1998	05/29/98	4,963,113.89	5.460	5.536	FANNIE MAE	4,962,808.33
2980	COM	5000000.00	5.530	07/23/1998	06/24/98	4,977,726.39	5.555	5.632	AMERICAN EXPRESS	4,976,090.11
2757	FAC	5000000.00	5.735	07/30/1998	12/16/97	5,001,562.50	5.671	5.750	FEDERAL HOME LOAN BANK	5,000,000.00
2807	FAD	5000000.00	5.270	07/30/1998	01/28/98	4,866,054.17	5.371	5.445	FANNIE MAE	4,865,180.56
2811	TRC	5000000.00	6.250	07/31/1998	02/02/98	5,025,164.02	5.203	5.275	TREASURY NOTE	5,003,900.00
2817	TRC	5000000.00	6.250	07/31/1998	02/09/98	5,029,644.34	5.225	5.298	TREASURY NOTE	5,003,900.00
2820	TRC	5000000.00	6.250	07/31/1998	02/10/98	5,030,116.98	5.236	5.308	TREASURY NOTE	5,003,900.00
2823	TRC	5000000.00	6.250	07/31/1998	02/12/98	5,031,452.87	5.240	5.313	TREASURY NOTE	5,003,900.00
2825	TRC	5000000.00	6.250	07/31/1998	02/13/98	5,032,120.82	5.242	5.315	TREASURY NOTE	5,003,900.00
2829	TRC	5000000.00	6.250	07/31/1998	02/18/98	5,036,632.42	5.202	5.274	TREASURY NOTE	5,003,900.00
2832	TRC	5000000.00	6.250	07/31/1998	02/20/98	5,037,773.00	5.215	5.288	TREASURY NOTE	5,003,900.00
2833	TRC	5000000.00	6.250	07/31/1998	02/20/98	5,037,773.00	5.215	5.288	TREASURY NOTE	5,003,900.00
2957	FAD	5000000.00	5.400	08/05/1998	06/02/98	4,952,000.00	5.452	5.528	FREDDIE MAC	4,951,700.00
2847	FAD	5000000.00	5.320	08/10/1998	03/06/98	4,883,994.45	5.445	5.522	FANNIE MAE	4,883,050.00
2849	FAD	5000000.00	5.320	08/11/1998	03/09/98	4,885,472.22	5.445	5.520	FANNIE MAE	4,885,066.67
2973	COM	5000000.00	5.520	08/17/1998	06/19/98	4,954,766.67	5.513	5.648	FORD	4,953,833.00
2830	FAD	5000000.00	5.270	08/24/1998	02/24/98	4,867,518.06	5.570	5.648	TREASURY NOTE	4,865,843.06
2837	TRC	5000000.00	6.125	08/31/1998	03/10/98	5,024,337.64	5.360	5.435	FANNIE MAE	5,007,050.00
2889	FAD	5000000.00	5.390	09/01/1998	04/08/98	4,891,919.44	5.448	5.523	FANNIE MAE	4,890,866.66
2902	FAD	5000000.00	5.360	09/03/1998	04/14/98	4,894,288.89	5.476	5.552	FREDDIE MAC	4,893,483.33
2642	FAC	5000000.00	5.750	09/11/1998	09/15/97	5,000,000.00	5.749	5.829	FEDERAL FARM CREDIT BANK	5,005,450.00
2916	FAD	5000000.00	5.360	09/14/1998	04/22/98	4,892,055.56	5.478	5.554	FANNIE MAE	4,943,250.00
2638	FAC	5000000.00	5.790	09/16/1998	09/10/97	4,999,218.75	5.801	5.882	SALLIE MAE	5,003,900.00
2891	FAD	5000000.00	5.310	09/24/1998	04/08/98	4,875,362.50	5.446	5.521	FANNIE MAE	4,873,600.00
2968	FAD	5000000.00	5.390	09/29/1998	06/12/98	4,918,401.39	5.479	5.556	FREDDIE MAC	4,917,626.39
2897	FAD	5000000.00	5.320	10/30/1998	04/10/98	4,872,172.22	5.460	5.535	FANNIE MAE	4,870,761.11
2876	FAD	5000000.00	5.360	10/09/1998	03/30/98	4,859,300.00	5.556	5.633	FREDDIE MAC	4,858,616.67
2887	FAD	5000000.00	5.330	10/09/1998	04/07/98	4,863,048.61	5.394	5.570	FREDDIE MAC	4,861,226.39
2964	FAD	5000000.00	5.370	11/09/1998	06/09/98	4,885,887.50	5.495	5.572	FREDDIE MAC	4,884,791.67
2772	FAC	5000000.00	5.800	12/18/1998	12/30/97	5,000,781.25	5.780	5.861	SALLIE MAE	5,007,050.00
2798	FAC	5000000.00	5.640	01/21/1999	01/21/98	5,000,000.00	5.563	5.640	FEDERAL HOME LOAN BANK	5,000,000.00
2861	FAC	5000000.00	5.700	03/17/1999	03/17/98	5,000,000.00	5.622	5.703	FEDERAL HOME LOAN BANK	5,000,800.00
2867	FAC	5000000.00	5.625	03/23/1999	03/23/98	5,000,000.00	5.625	5.703	FEDERAL HOME LOAN BANK	4,997,650.00
2908	FAC	5000000.00	5.700	04/15/1999	04/15/98	5,000,000.00	5.622	5.700	FEDERAL HOME LOAN BANK	4,993,750.00
2909	FAC	5000000.00	5.770	04/15/1999	04/15/98	5,000,000.00	5.691	5.770	FEDERAL HOME LOAN BANK	5,003,100.00

07/16/98

IR-1-102R

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 06/30/1998

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
2930	FAC	5000000.00	5.760	05/06/1999	05/06/98	5,000,000.00	5.760	5.840	FEDERAL HOME LOAN BANK	5,002,350.00
2944	FAC	5000000.00	5.830	05/18/1999	05/19/98	5,000,800.00	5.749	5.829	FEDERAL HOME LOAN BANK	4,996,875.00
TOTAL		\$258,129,444.20				\$256,350,335.70				\$256,135,770.90
AMORTIZATION & ACCRETION OF PRIMUMS & DISCOUNTS										-152,712.11
PURCHASED INTEREST										98,101.02
										\$256,233,871.92

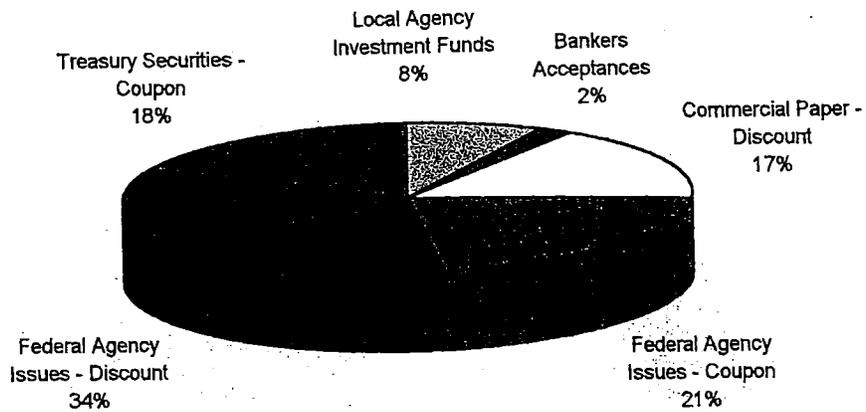
MICHAEL J. SMITH, MARIN COUNTY TREASURER
 PORTFOLIO SUMMARY REPORT - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 JUNE 1 - 30, 1998

DESCRIPTION	ENDING BALANCE	AVERAGE BALANCE	WEIGHTED AVERAGE	YIELD	YIELD
	JUNE 1998	JUNE 1998	DAYS TO MATURITY	6/1/98 - 6/30/98	JUNE 30, 1998
LOCAL AGENCY INVESTMENT FUNDS	\$20,129,444.20	\$20,129,444.20	1	5.671	5.670
TIME DEPOSITS - BANK	0.00	0.00	0	0.000	0.000
BANKERS ACCEPTANCES	4,915,406.95	4,915,406.95	7	5.559	5.559
COMMERCIAL PAPER - DISCOUNT	42,905,263.89	27,016,011.17	9	5.812	5.780
FEDERAL AGENCY ISSUES - DISCOUNT	55,002,362.50	62,333,833.72	207	5.773	5.520
FEDERAL AGENCY ISSUES - COUPON	88,112,843.07	115,798,575.57	57	5.530	5.370
TREASURY SECURITIES - COUPON	45,285,015.09	45,052,211.64	33	5.310	5.310
TREASURY SECURITIES - DISCOUNT	0.00	0.00	0	0.000	0.000
TOTALS & AVERAGES	\$256,350,335.70	\$275,245,483.25	72	5.602%	5.580%

The Local Agency Investment Funds is an open ended account and is not included in the total weighted days to maturity.

Michael J. Smith, Marin County Treasurer
 Pooled Investment Program
 County of Marin, Schools & Special Districts
 June 30, 1998

INVESTMENT HOLDINGS	BOOK VALUE	Portfolio Yields as of date
Local Agency Investment Funds	\$ 20,129,444.20	5.673
Bankers Acceptances	\$ 4,915,406.95	5.559
Commercial Paper - Discount	\$ 42,905,263.89	5.812
Federal Agency Issues - Coupon	\$ 55,002,362.50	5.773
Federal Agency Issues - Discount	\$ 88,112,843.07	5.530
Treasury Securities - Coupon	\$ 45,285,015.09	5.310
TOTAL	\$256,350,335.70	5.602



07/17/98

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - NON OPERATING FUNDS
LAS GALLINAS VALLEY SANITARY DISTRICT
06/30/1998

IR-1-0489

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
100	LA1	4,125,577.89	5.671	06/30/1998	07/01/92	4,125,577.89	5.593	5.671	LOCAL AGENCY INVESTMENT FUND	4,125,577.89
TOTAL						\$4,125,577.89				\$4,125,577.89

07/16/98

IR-1-0662R

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - NON-OPERATING FUNDS
 REED SCHOOL DISTRICT
 06/30/1998

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
116	TRC	300000.00	5.250	07/31/98	02/06/95	281,156.25	7.216	7.317	TREASURY NOTE	300,000.00
113	TRC	300000.00	5.875	03/31/99	04/11/94	294,937.50	6.187	6.273	TREASURY NOTE	300,843.00
123	FAC	300000.00	6.100	02/10/00	07/10/96	292,935.00	6.756	6.850	FANNIE MAE	301,968.00
124	FAC	300000.00	5.720	03/08/01	09/20/96	288,750.00	6.613	6.705	FANNIE MAE	299,673.00
122	FAC	300000.00	6.625	05/21/01	05/21/96	300,000.00	6.534	6.625	FANNIE MAE	307,173.00
TOTAL		\$1,500,000.00				\$1,457,778.75				\$1,509,657.00
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS						33,721.58				
PURCHASED INTEREST										0.00
						\$1,491,500.33				\$1,509,657.00

07/1/998

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - NON OPERATING FUNDS
SAN RAFAEL SCHOOLS
06/30/1998

IR-1-SRSSR

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
687	LA1	96,768.91	5.671	06/30/1998	07/01/92	96,768.91	5.593	5.671	LOCAL AGENCY INVESTMENT FUND	96,768.91
746	LA1	72,258.99	5.671	06/30/1998	07/01/92	72,258.99	5.593	5.671	LOCAL AGENCY INVESTMENT FUND	72,258.99
103	FAC	400,000.00	6.435	05/21/1999	05/21/96	400,000.00	6.435	6.524	FEDERAL HOME LOAN BANK	402,748.00
104	FAC	300,000.00	6.320	08/03/2000	05/23/96	298,218.75	6.481	6.571	FANNIE MAE	303,936.00
102	FAC	300,000.00	6.690	05/16/2001	05/16/96	300,000.00	6.690	6.783	FEDERAL HOME LOAN BANK	307,734.00
106	FAC	260,000.00	6.000	06/02/2003	06/23/98	260,000.00	6.000	6.083	FEDERAL HOME LOAN BANK	259,430.60
TOTAL		\$1,429,027.90				\$1,427,246.65				\$1,442,876.50
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS						894.16				\$1,428,140.81

07/16/98

COUNTY OF MARIN
PURCHASES REPORT

June 1, 1998 - June 30, 1998

PU-102

INVESTMENT NUMBER	ISSUER CODE	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	YIELD 365	PRINCIPAL PURCHASED	ACCR. INT. PURCHASED	TOTAL
2956	ASSOC	COM	13,600,000.00	5.710	06/02/1998	06/01/1998	5.871	13,597,842.89	0.00	13,597,842.89
2957	FHLMC	FAD	5,000,000.00	5.400	08/05/1998	06/02/1998	5.605	4,952,000.00	0.00	4,952,000.00
2958	ASSOC	COM	8,900,000.00	5.550	06/03/1998	06/02/1998	5.706	8,898,627.92	0.00	8,898,627.92
2959	ASSOC	COM	7,700,000.00	5.570	06/04/1998	06/03/1998	5.727	7,698,808.64	0.00	7,698,808.64
2960	ASSOC	COM	6,500,000.00	5.480	06/05/1998	06/04/1998	5.634	6,499,010.56	0.00	6,499,010.56
2961	ASSOC	COM	8,300,000.00	5.410	06/08/1998	06/05/1998	5.564	8,296,258.08	0.00	8,296,258.08
2962	ASSOC	COM	12,300,000.00	5.450	06/09/1998	06/08/1998	5.603	12,298,137.92	0.00	12,298,137.92
2963	ASSOC	COM	7,100,000.00	5.360	06/10/1998	06/09/1998	5.511	7,098,942.89	0.00	7,098,942.89
2964	FHLMC	FAD	5,000,000.00	5.370	11/09/1998	06/09/1998	5.649	4,885,887.50	0.00	4,885,887.50
2965	ASSOC	COM	11,000,000.00	5.350	06/11/1998	06/10/1998	5.500	10,998,365.28	0.00	10,998,365.28
2966	ASSOC	COM	10,500,000.00	5.450	06/12/1998	06/11/1998	5.603	10,498,410.42	0.00	10,498,410.42
2967	ASSOC	COM	9,800,000.00	5.460	06/15/1998	06/12/1998	5.615	9,795,541.00	0.00	9,795,541.00
2968	FHLMC	FAD	5,000,000.00	5.390	09/29/1998	06/12/1998	5.633	4,918,401.39	0.00	4,918,401.39
2969	ASSOC	COM	13,000,000.00	5.690	06/16/1998	06/15/1998	5.850	12,997,945.28	0.00	12,997,945.28
2970	ASSOC	COM	12,000,000.00	5.580	06/17/1998	06/16/1998	5.737	11,998,140.00	0.00	11,998,140.00
2971	ASSOC	COM	11,500,000.00	5.590	06/18/1998	06/17/1998	5.747	11,498,214.31	0.00	11,498,214.31
2972	ASSOC	COM	12,000,000.00	5.480	06/19/1998	06/18/1998	5.634	11,998,173.33	0.00	11,998,173.33
2973	FORD	COM	5,000,000.00	5.520	08/17/1998	06/19/1998	5.726	4,954,766.67	0.00	4,954,766.67
2974	ASSOC	COM	9,900,000.00	5.390	06/22/1998	06/19/1998	5.543	9,895,553.25	0.00	9,895,553.25
2975	ASSOC	COM	13,000,000.00	5.460	06/23/1998	06/22/1998	5.614	12,998,028.33	0.00	12,998,028.33
2976	PRU	COM	5,000,000.00	5.570	07/06/1998	06/22/1998	5.738	4,989,169.44	0.00	4,989,169.44
2977	ASSOC	COM	13,000,000.00	5.380	06/24/1998	06/23/1998	5.531	12,998,057.22	0.00	12,998,057.22
2978	FHLMC	FAD	10,000,000.00	5.310	06/30/1998	06/23/1998	5.464	9,989,675.00	0.00	9,989,675.00
2979	ASSOC	COM	13,000,000.00	5.350	06/25/1998	06/24/1998	5.500	12,998,068.06	0.00	12,998,068.06
2980	AMEX	COM	5,000,000.00	5.530	07/23/1998	06/24/1998	5.710	4,977,726.39	0.00	4,977,726.39
2981	ASSOC	COM	5,000,000.00	5.520	06/26/1998	06/25/1998	5.675	4,999,233.33	0.00	4,999,233.33
2982	SARA	COM	9,535,000.00	5.550	06/26/1998	06/25/1998	5.706	9,533,530.02	0.00	9,533,530.02
2983	FORD	COM	5,000,000.00	5.700	07/02/1998	06/26/1998	5.865	4,995,250.00	0.00	4,995,250.00
2984	PRU	COM	5,000,000.00	5.700	07/02/1998	06/26/1998	5.865	4,995,250.00	0.00	4,995,250.00
2985	ASSOC	COM	10,000,000.00	5.600	06/29/1998	06/26/1998	5.759	9,995,333.33	0.00	9,995,333.33
2986	ASSOC	COM	11,500,000.00	5.770	06/30/1998	06/29/1998	5.932	11,498,156.81	0.00	11,498,156.81
2987	ASSOC	COM	13,000,000.00	5.950	07/01/1998	06/30/1998	6.117	12,997,851.39	0.00	12,997,851.39
2988	CARGILL	COM	5,000,000.00	5.700	07/06/1998	06/30/1998	5.865	4,995,250.00	0.00	4,995,250.00
TOTAL			\$297,135,000.00					\$296,739,606.65	\$0.00	\$296,739,606.65

07/17/98

COUNTY OF MARIN
MATURING INVESTMENTS
June 1, 1998 - June 30, 1998

ACCRUAL

MI-1-102

MATURITY DATE	INVESTMENT NUMBER	TYPE	ISSUER	FACE VALUE AT PURCHASE	STATED RATE
06/01/1998	2725	FAD	FANNIE MAE	5,000,000.00	5.678
06/01/1998	2954	COM	ASSOCIATES OF NORTH AMERICA	10,000,000.00	5.633
06/02/1998	2956	COM	ASSOCIATES OF NORTH AMERICA	13,600,000.00	5.711
06/03/1998	2958	COM	ASSOCIATES OF NORTH AMERICA	8,900,000.00	5.551
06/04/1998	2959	COM	ASSOCIATES OF NORTH AMERICA	7,700,000.00	5.571
06/05/1998	2748	FAD	FREDDIE MAC	5,000,000.00	5.695
06/05/1998	2960	COM	ASSOCIATES OF NORTH AMERICA	6,500,000.00	5.481
06/08/1998	2779	FAD	FANNIE MAE	5,000,000.00	5.474
06/08/1998	2961	COM	ASSOCIATES OF NORTH AMERICA	8,300,000.00	5.412
06/09/1998	2962	COM	ASSOCIATES OF NORTH AMERICA	12,300,000.00	5.451
06/10/1998	2927	FAD	FREDDIE MAC	5,000,000.00	5.433
06/10/1998	2963	COM	ASSOCIATES OF NORTH AMERICA	7,100,000.00	5.361
06/11/1998	2965	COM	ASSOCIATES OF NORTH AMERICA	11,000,000.00	5.351
06/12/1998	2786	FAD	FANNIE MAE	5,000,000.00	5.360
06/12/1998	2966	COM	ASSOCIATES OF NORTH AMERICA	10,500,000.00	5.451
06/15/1998	2933	COM	CAMPBELL'S SOUP	5,000,000.00	5.482
06/15/1998	2967	COM	ASSOCIATES OF NORTH AMERICA	9,800,000.00	5.462
06/16/1998	2869	COM	ASSOCIATES OF NORTH AMERICA	13,000,000.00	5.691
06/17/1998	2856	FAD	FANNIE MAE	5,000,000.00	5.459
06/17/1998	2970	COM	ASSOCIATES OF NORTH AMERICA	12,000,000.00	5.581
06/18/1998	2971	COM	ASSOCIATES OF NORTH AMERICA	11,500,000.00	5.591
06/19/1998	2911	FAD	FREDDIE MAC	5,000,000.00	5.452
06/19/1998	2972	COM	ASSOCIATES OF NORTH AMERICA	12,000,000.00	5.481
06/22/1998	2938	COM	CAMPBELL'S SOUP	5,000,000.00	5.484
06/22/1998	2974	COM	ASSOCIATES OF NORTH AMERICA	9,900,000.00	5.392
06/23/1998	2594	FAC	FEDERAL HOME LOAN BANK	5,000,000.00	5.720
06/23/1998	2147	FAC	FEDERAL HOME LOAN BANK	5,000,000.00	5.710
06/23/1998	2975	COM	ASSOCIATES OF NORTH AMERICA	13,000,000.00	5.461
06/24/1998	2935	COM	FEDERAL HOME LOAN BANK	5,000,000.00	5.375
06/24/1998	2977	FAD	ASSOCIATES OF NORTH AMERICA	13,000,000.00	5.381
06/24/1998	2979	COM	ASSOCIATES OF NORTH AMERICA	13,000,000.00	5.351
06/25/1998	2948	COM	PRUDENTIAL FUNDING	5,000,000.00	5.530
06/26/1998	2981	COM	ASSOCIATES OF NORTH AMERICA	5,000,000.00	5.521
06/26/1998	2982	COM	SARA LEE	9,535,000.00	5.551
06/29/1998	2901	FAD	FREDDIE MAC	5,000,000.00	5.432
06/29/1998	2985	COM	ASSOCIATES OF NORTH AMERICA	10,000,000.00	5.603
06/30/1998	2877	FAD	FREDDIE MAC	10,000,000.00	5.486
06/30/1998	2978	FAD	FEDERAL HOME LOAN BANK	10,000,000.00	5.315
06/30/1998	2986	COM	ASSOCIATES OF NORTH AMERICA	11,500,000.00	5.771

TOTAL

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\$329,135,000.00

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CLAIM FOR PAYMENT Pursuant to Government Code Section 17561 INVESTMENT REPORTS			For State Controller Use Only	
			(19) Program Number 00161	
			(20) Date Filed <u> </u> / <u> </u> / <u> </u>	
			(21) Signature Present <u> </u> - <u>15</u> - <u>99</u>	
(01) Claimant Identification Number 9921			Reimbursement Claim Data	
(02) Mailing Address Auditor-Controller			(22) INR-1, (03)	4
Claimant Name Marin County			(23) INR-1, (04)(01)(f)	7,583
County of Location Marin County			(24) INR-1, (04)(2)(f)	11,028
Street Address or P.O. Box Marin Civic Center, #209			(25) INR-1, (06)	46.70
City	State	Zip Code	(26)	
San Rafael	CA	94903		
Type of Claim	Estimated Claim	Reimbursement Claim	(27)	
	(03) Estimated <input checked="" type="checkbox"/>	(09) Reimbursement <input checked="" type="checkbox"/>	(28)	
	(04) Combined <input type="checkbox"/>	(10) Combined <input type="checkbox"/>	(29)	
	(05) Amended <input type="checkbox"/>	(11) Amended <input type="checkbox"/>	(30)	
Fiscal Year of Cost	(06) 1998-99	(12) 1997-98	(31)	
Total Claimed Amount	(07) \$23,437	(13) \$26,041	(32)	
LESS: 10% Late Penalty, but not to exceed \$1,000 (if applicable)	(14)	< 6825 >	(33) 9867 -	
		< 6883 >	9890 -	
LESS: Estimated Claim Payment Received	(15)	< 5732 >	(34) 9920 -	
Net Claimed Amount	(16)	\$26,041	(35)	
Due from State	(08) \$23,437	(17) 6601 \$26,041	(36)	
Due to State		(18)	(37)	
(38) CERTIFICATION OF CLAIM				
<p>In accordance with the provisions of Government Code 17561, I certify that I am the person authorized by the local agency to file claims with the State of California for costs mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996 and certify under penalty of perjury that I have not violated any of the provisions of Government Code Sections 1090 through 1096, inclusive.</p> <p>I further certify that there were no applications for nor any grants or payments received, other than from the claimant for reimbursement of costs claimed herein; and such costs are for new program or increased level of service of an existing program mandated by Chapter 783, Statutes of 1995, Chapters 156 and 749, Statutes of 1996</p> <p>The amount for estimated and/or reimbursement claims are payment of estimated and/or actual costs for the mandated program of Chapter 1107, Statutes of 1984, set forth on the attached statements.</p>				
Signature of Authorized Representative			Date	
			January 15, 1998	
Annika Wilkes			Assistant Auditor-Controller	
Print or type name			Title	
Brad Burgess (DMG)			(916) 485-8102	
(39) Name of Contact Person for Claim			Telephone Number	

**MANDATED COSTS
INVESTMENT REPORTS
CLAIM SUMMARY**

**FORM
INR-1**

(01) Claimant: Marin County	(02) Type of Claim:	Fiscal Year
	Reimbursement <input type="checkbox"/> X	1997-98
	Estimated <input type="checkbox"/> X	1998-99

Claim Statistics

(03) Number of investment reports prepared during the fiscal year.	4
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(04) Reimbursable Component:	(a) Salaries	(b) Benefits	(c) Services and Supplies	(d) Fixed Assets	(e) Total
1. Statement of Investment Policy	\$5,622 <i>562</i>	\$1,061 <i>196</i>			\$7,583 <i>758</i>
2. Quarterly Report of Investments	\$6,174 <i>3073</i>	\$2,154 <i>1072</i>	\$2,700 <i>0</i>		\$11,028 <i>4145</i>
(05) Total Direct Costs	\$11,795 <i>3635</i>	\$4,115 <i>1268</i>	\$2,700 <i>0</i>		\$18,611 <i>4903</i>

Indirect Costs

(06) Indirect Cost Rate	[From ICRP]	46.70%
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(07) Total Indirect Costs	[Line (06) x (line (05)(f) - {(line (05)(d) + line (05)(e)})]	<i>1698</i> \$7,430
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(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	<i>6601</i> \$26,041
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Cost Reductions

(09) Less: Offsetting Savings, if applicable		
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(10) Less: Other Reimbursements, if applicable		
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(11) Total Claimed Amount:	[Line (08) - {Line (09) + Line (10)}]	<i>6601</i> \$26,041
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**MANDATED COSTS
INVESTMENT REPORTS
COMPONENT / ACTIVITY COST DETAIL**

**FORM
INR-2**

(01) Claimant: **Marin County**

(02) Fiscal year costs were incurred: **1997-98**

(03) Reimbursable Components: Check only one box per form to identify the component being claimed.

- Statement of Investment Policy
 Quarterly Report of Investments

(04) Description of Expense: Complete columns (a) through (h)

Object Accounts

(a) Employee Name, Job Classification, Functions Performed and Description of Expense	(b) Hourly Rate of Unit Cost	(c) Benefits	(d) Hours Worked or Quantity	(e) Services and Supplies	(f) Salaries	(g) Benefits	(h) Total Sal & Bens	(i) Fixed Assets
<u>Michael Smith, Treasurer</u>	\$58.78	34.89%	50.00		\$2,939	\$1,025	\$3,965	
<u>Twila Castellucci, Investment Officer</u>	\$36.33	34.89%	50.00		\$1,817	\$634	\$2,450	
Revised policies and procedures necessary for accumulating quarterly reports.								
<u>Michael Smith, Treasurer</u>	\$58.78	34.89%	4.00		\$235	\$82	\$317	
<u>Twila Castellucci, Investment Officer</u>	\$36.33	34.89%	15.00		\$545	\$190	\$735	
<u>Garry Aquilino</u>	\$42.89	34.89%	2.00		\$86	\$30	\$116	
Time to prepare and render the annual statement of investment policy for the County.								
<i>Excessive time to update the annual investment policy. Reduced to 10% to allow mandated activity.</i>								
					10% =			
					562	196	758	

(05) Total [] Subtotal [] Page: ____ of ____

\$5,622 \$1,961 \$7,583

INDIRECT COST RATE PROPOSAL

Claimant Name: Marin County, California

Department: Treasurer

Fiscal Year: 1997-1998

Description of Costs	Total Costs	Unallowable Costs	Allowable Indirect Costs	Allowable Direct Costs
Personnel Services:				
1 Salaries & Wages	\$945,360		\$116,384	\$828,976
2 Part-time Wages & Overtime	\$1,913			\$1,913
3 Benefits 28.1%	\$265,851		\$32,729	\$233,122
SUBTOTAL:	\$1,213,124		\$149,113	\$1,064,011
Line Item Costs (Services, Supplies & Other):				
4 Ofc Equip Rep & Maint	\$23,333		\$23,333	
5 Office Supplies	\$37,916		\$37,916	
6 Document Repo Costs	\$20,246		\$20,246	
7 Investigations	\$5,442			\$5,442
8 Publications	\$6,656			\$6,656
9 Misc Fees	\$945			\$945
10 Training	\$6,177		\$6,177	
11 Bank Charges	\$45,342			\$45,342
12 Conferences	\$9,077		\$9,077	
13 Mileage	\$1,136		\$1,136	
14 Contract Svcs	\$22,386			\$22,386
15 Equipment	\$39,515	\$39,515		
16 Audit Services	\$12,829		\$12,829	
17 Vehicle Maint	\$431		\$431	
18 Vehicle Replacement	\$703	\$703		
19 Telephone	\$19,027		\$19,027	
20 County Building Chg	\$134,256	\$134,256		
21				
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
SUBTOTAL:	\$385,417	\$174,474	\$130,172	\$80,771
TOTAL EXPENDITURES:		\$1,598,541		
Cost Adjustments and/or Cost Plan Costs:				
36 Cost Allocation Plan	\$217,327		\$217,327	
37				
SUBTOTAL:	\$217,327		\$217,327	
TOTAL COSTS:		\$1,815,868	\$174,474	\$496,612
CALCULATED INDIRECT COST RATE =		46.7%	\$496,612	= Total allowable indirect costs
Rate is based on: Salaries & Benefits			\$1,064,011	= Total direct salaries and benefits

DEPARTMENTAL INDIRECT SALARIES

Claimant Name: Marin County, California

Department: Treasurer

Fiscal Year: 1997-1998

INDIRECT SALARIES

Position or Name of Employee	Annual Wages	Departmental Administration		Departmental Support	
		(%)	(\$)	(%)	(\$)
1 Assistant Treasurer	\$77,189	100%	\$77,189		
2 Admn Services Assist I	\$39,195			100%	\$39,195
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TOTALS	\$116,384	\$77,189	\$39,195
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TOTAL INDIRECT SALARIES **\$116,384**

BUDGET UNIT FINANCING USES DETAIL

FINANCING USES CLASSIFICATION	OBJECT	EXPENDITURE AMOUNTS				REQUESTED YEAR ENDING JUNE 30, 1999	ALLOWED BY BOARD OF SUPERVISORS YEAR ENDING JUNE 30, 1999
		ACTUAL COMPLETED YEAR ENDED JUNE 30, 1996 (2)	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1997 (3)	FINAL BUDGET FOR YEAR ENDED JUNE 30, 1998 (4)	ACTUAL & ESTIMATED YEAR ENDED JUNE 30, 1998 (5)		
TREASURER-TAX COLLECTOR 123	(1)						
FINANCING USES CLASSIFICATION	OBJECT	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1996 (2)	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1997 (3)	FINAL BUDGET FOR YEAR ENDED JUNE 30, 1998 (4)	ACTUAL & ESTIMATED YEAR ENDED JUNE 30, 1998 (5)	REQUESTED YEAR ENDING JUNE 30, 1999 (6)	ALLOWED BY BOARD OF SUPERVISORS YEAR ENDING JUNE 30, 1999 (7)
SALARIES & RELATED ACCTS	1003	895,463.71	908,229.94	911,823.00	912,329.28	963,434.00	963,434.00
REGULAR STAFF SALARIES	1004	34,800.68	37,986.97	54,600.00	33,030.56	50,263.00	50,263.00
EXTRA HIRE	1008	2,774.99	3,139.74	4,000.00	1,912.68	4,000.00	4,000.00
OVERTIME	1402	147,348.39	145,969.52	139,714.00	136,806.10	93,535.00	93,935.00
RETIREMENT COUNTY	1404	7,223.88	7,626.38	8,100.00	7,263.43	8,200.00	8,200.00
SOCIAL SECURITY	1506	121,860.33	119,456.62	126,000.00	114,194.35	128,409.00	128,409.00
ADDTL RETIRMT & EMPL BEN	1516				546.54		
UNUSED FRINGE BENEFITS	1701	6,911.20		6,679.00	7,040.63	7,033.00	7,033.00
COMPENSATION INSURANCE	1998						
NET COST POSITIONS ADDED	1999	1,216,383.18	1,222,409.17	1,250,916.00	1,213,123.57	1,255,274.00	1,255,274.00
NET COST POSITIONS DELET							
OBJECT CLASS TOTAL							
SERVICES & SUPPLIES	2079	14,900.54	15,304.41	15,760.00	23,333.25	27,400.00	27,400.00
OFC EQUIP REP & MAINT	2133	39,505.12	44,938.44	40,744.00	37,915.87	42,000.00	42,000.00
OFC SUPPLIES & EXPENSE	2137	15,432.23	16,684.10	28,900.00	20,246.36	22,500.00	22,500.00
DOCUMENT REPROD COSTS	2141						
COMPUTER SUPPLIES	2146	4,727.27	3,671.87	7,225.00	5,442.01	3,600.00	3,600.00
INVESTIGATIONS	2151						
SOFTWARE & SOFTWARE LIC	2221	5,504.12	10,995.35	8,814.00	6,656.38	1,739.00	7,739.00
PUBL AND LEGAL NOTICES	2269	2,896.93	1,841.45	1,550.00	945.00	800.00	800.00
MISCELLANEOUS FEES	2273	7,233.50	6,559.90	9,560.00	6,176.57	10,400.00	10,400.00
TRAINING	2408	65,276.69	74,638.04	112,948.00	45,342.20	104,700.00	104,700.00
BANK CHARGES	2477	5,204.73	2,714.40	3,000.00	9,077.08	4,000.00	4,000.00
CONFERENCES	2479	2,818.87	2,175.76	3,800.00	1,136.01	2,000.00	2,000.00
HILEAGE & ROUTN TRAV EXP	2533	25,099.12	22,593.03	20,422.00	22,385.60	19,700.00	20,600.00
CONTRACT SVC MISC		188,599.12	202,156.75	252,521.00	178,656.33	238,839.00	245,739.00
OBJECT CLASS TOTAL							
PROJECTS & FIXED ASSETS	4865						
REPRODUCTION EQUIPMENT	4880						
DATA PROCESSING EQUIPMEN	4881	28,660.46	9,343.62	12,500.00	11,995.91		
SOFTWARE & SOFTWARE LICN							

COUNTY OF MARIN
STATE OF CALIFORNIA
BUDGET UNIT FINANCING USES DETAIL

COUNTY BUDGET FORM
SCHEDULE 9

FINANCING USES CLASSIFICATION	OBJECT	EXPENDITURE AMOUNTS						
		ACTUAL COMPLETED YEAR ENDED JUNE 30, 1996 (2)	ACTUAL COMPLETED YEAR ENDED JUNE 30, 1997 (3)	FINAL BUDGET FOR YEAR ENDED JUNE 30, 1998 (4)	ACTUAL & ESTIMATED YEAR ENDED JUNE 30, 1998 (5)	REQUESTED YEAR ENDING JUNE 30, 1999 (6)	ALLOWED BY BOARD OF SUPERVISORS YEAR ENDING JUNE 30, 1999 (7)	
TREASURER-TAX COLLECTOR 123	(1)							
FAX EQUIPMENT	4882							
MIS FURNITURE & OFC EQUI	4985							
CAPITALIZED LEASE PURCHA	4999	11,895.39	1,444.71	2,000.00	27,055.38	10,500.00	10,500.00	
OBJECT CLASS TOTAL		40,555.85	10,788.33	22,000.00	39,514.61	10,500.00	10,500.00	
*DIRECT CHGS AND APPROP		1,445,538.15	1,435,354.25	1,525,437.00	1,431,294.51	1,504,613.00	1,511,513.00	
INTER-DEPARTMENTAL CHARG								
AUDIT SERVICES CHARGED	5017			12,829.00	12,829.00	12,829.00	12,829.00	
VEHICLE MAINTENANCE CHAR	5025	1,000.00	215.00	431.00	431.00	540.00	540.00	
VEHICLE REPLACEMENT CHAR	5035	266.00	412.00	703.00	703.00	225.00	225.00	
TELEPHONE CHARGED	5071	18,733.00	19,618.00	19,027.00	19,027.00	17,871.00	17,871.00	
RENT CHARGED	5073	125.00						
COUNTY BUILDINGS CHARGED	5086			134,256.00	134,256.00	125,363.00	125,363.00	
PRO RATA COSTS RECEIVED	5095	46,682.00	29,041.00	167,246.00	167,246.00	156,828.00	156,828.00	
SALARIES/BENEFITS CHARGE	5603	26,558.00	49,286.00	1,692,683.00	1,598,540.51	1,661,441.00	1,668,341.00	
OBJECT CLASS TOTAL		1,418,980.15	1,484,640.25	1,692,683.00	1,598,540.51	1,661,441.00	1,668,341.00	
GENL FUND TOTAL 102								
MEMO: INCL IN REVENUE ACCRUAL								
INTEREST INCOME	9201	3,297,781.14	3,694,490.80	3,650,000.00	6,762.00	2,459.00	2,459.00	
HANDATED COSTS STATE	9308	4,033.48	2,459.00	2,459.00	6,762.00	2,459.00	2,459.00	
AB2557 PROP TAX ADM CHAR	9516	200,688.90	180,778.11	244,553.00	199,913.00	244,553.00	244,553.00	
REIMB INVEST/BANK COSTS	9517	465,591.00	387,945.48	393,634.00	237,084.01	368,795.00	368,795.00	
ESTATE FEES	9553	268,941.92	234,515.01	236,237.00	294,596.95	240,000.00	240,000.00	
MICROFICHE REIMBURSEMENT	9590	25,700.00	23,125.01	23,000.00	21,100.00	23,000.00	23,000.00	
RECORDING FEES	9593				382.00			
OTH TAX COLL BOND SVC CH	9715			500.00	1,190.41	500.00	500.00	
BANKCARD FEES	9719	2,337.17	2,089.21					
OTH MISC RFNDS & REIMB	9773	4,553.48	16,262.22	1,000.00	6,811.25	1,000.00	1,000.00	
OTHER MISC INCOME	9774	37.74	10,638.20	8,000.00	21,716.28	17,500.00	17,500.00	
OTH REIMB PHONE EXP	9792	7.36	73.73	15.00	21.11	15.00	15.00	
REVENUE TOTALS		4,269,672.19	4,552,376.77	4,559,398.00	789,577.01	897,622.00	897,822.00	

TREASURER-TAX COLLECTOR - #123

This budget includes the costs of receiving, safeguarding, disbursing, and investing funds of the County, school districts and special districts. Other costs include bond administration and collection of property taxes, transient occupancy taxes, and health permit fees. The Treasurer-Tax Collector also acts as Public Administrator, safeguarding and settling estates for County residents who die without a will or close relatives, or when appointed as administrator by the Court.

BUDG CTR	BARG UNIT	WK CP	JOB CLASS	JOB CLASS TITLE	PRIOR ALLOC.	ADJUSTED ALLOC.	REQUESTED ALLOC.	APPROVED ALLOC.	STEP 1	BIWEEKLY STEP 2	SALARY SCALE STEP 3	AS OF STEP 4	07/13/97 STEP 5
123	20	F	0107	TREASURER TAX COLLECTOR	1.00	1.00	1.00	1.00	1,310.25	1,374.00	1,438.50	1,507.50	3,950.40
123	21	F	0109	ASST TREAS-TAX COLL/PUB	1.00	1.00	1.00	1.00	1,243.50	1,297.50	1,356.75	1,418.25	2,968.80
123	23	F	0318	ADMINSTR SVCS ASST I	1.00	1.00	1.00	1.00*	1,511.25	1,581.00	1,653.75	1,734.75	1,579.50
123	04	F	0332	TREASURER/TAX COLL OFF I					1,367.25	1,428.00	1,492.50	1,560.75	1,812.00
123	23	F	0332	COLLECTIONS MANAGER				**	1,472.50	1,542.75	1,615.50	1,689.75	1,627.50
123	04	F	0336	TREASURER/TAX COLL OFF II	2.00	2.00	2.00	2.00	1,472.50	1,542.75	1,615.50	1,689.75	1,767.00
123	04	F	0370	ACCGUNTANT II	1.00	1.00	1.00	1.00	1,464.75	1,539.00	1,614.40	1,672.80	1,695.00
123	03	F	0516	DEPUTY PUBLIC ADMIN II	1.00	1.00	1.00	1.00	1,885.60	1,975.20	2,070.40	2,172.80	2,278.40
123	23	F	0526	CHIEF DEPUTY PUBLIC ADMIN	1.00	1.00	1.00	1.00	1,154.25	1,204.50	1,255.50	1,314.75	1,369.50
123	03	F	0530	DEPUTY PUBLIC ADMINSTR I	1.00	1.00	1.00	1.00	1,149.00	1,199.25	1,250.25	1,308.00	1,364.25
123	01	F	1390	SENIOR ACCOUNTING ASST	5.00	5.00	5.00	5.00*	995.25	1,038.00	1,083.00	1,129.50	1,178.25
123	01	F	1391	ACCOUNTING ASSISTANT	5.00	5.00	5.00	4.00*	1,797.00	1,883.25	1,973.25	2,067.75	2,165.25
123	23	F	1490	INVESTMENT-CASH MGMT QFT	1.00	1.00	1.00	1.00	1,916.90	2,008.80	2,104.80	2,205.60	2,309.60
123	23	F	1511	CHIEF DEPUTY TAX COLLECTR	1.00	1.00	1.00	1.00	1,188.00	1,245.75	1,302.75	1,365.00	1,431.00
123	01	F	1512	PROPERTY TAX TECHNICIAN	22.00*	22.00*	22.00*	21.00*					

Total Positions for Year - 21.08

* 1.0 Position to be effective July 13, 1997

** Positions deleted July 12, 1997

1997
COST ALLOCATION PLAN
123 TAX COLLECTOR-TREASURER
 Costs to be allocated

FY 95/96

Expenditures per financial statement:

	1st Allocation	2nd Allocation	Sub-total	Total
	\$1,418,980			\$1,418,980

Deductions:

DATA PROCESSING EXP	(28,660)			
CAPITALIZED LEASE	(11,895)			
PRORATA COSTS REC'D	46,682			
Total deductions:	6,127			6,127

Allocated additions:

BUILDING USE ALLOWANCE	17,965		17,965	
EQUIPMENT DEPRECIATION	7,365		7,365	
113 COUNTY ADMINISTRATOR	2,336		2,606	
121 AUDITOR-CONTROLLER	86,442	270	178,781	
123 TAX COLLECTOR-TREASURER		92,339	4,441	
124 RETIREMENT DEPARTMENT		4,441	(313)	
131 COUNTY COUNSEL		89,904	89,904	
141 HUMAN RESOURCES		11,171	11,171	
162 TELEPHONE SERVICES		(186)	(186)	
172 BUILDINGS MAINTENANCE		50,583	50,583	
230 PURCHASING		3,662	3,662	
231 COUNTY GARAGE		357	357	
233 PRINTING SERVICES		2,180	2,180	
334 DATA PROCESSING		503,898	503,898	
235 MISCELLANEOUS VARIOUS		3,695	3,695	
236 INSURANCE		20,568	20,568	
762 LANDSCAPE MAINTENANCE		2,595	2,595	
Total allocated additions:	114,108	785,164	899,272	899,272

Departmental cost adjustments:

MISC RFDS & REIMB	(4,553)
MISC INCOME	(38)

COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY

Under the authority delegated to the County Treasurer by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin:

I. OBJECTIVES:

All funds on deposit with the County Treasurer shall be invested in accordance with the California Government Code to ensure:

- (a) Preservation of capital through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping;
- (b) Maintenance of sufficient liquidity to enable the County of Marin, Schools, Districts and other depositors to meet their operating requirements; and
- (c) A rate of return consistent with the above objectives.

2. PARTICIPANTS

Participants in the Marin County Pool shall be limited to Marin County, Marin County Schools, districts under the control of the County Board of Supervisors, autonomous/independent districts whose treasurer is the Marin County Treasurer, and any other district or agency approved by the Board of Supervisors and the County Treasurer using the County of Marin as their fiscal agent.

3. AUTHORIZED PERSONS

All investment decisions shall be made by either the Investment Officer, Assistant Treasurer or Treasurer, and in the absence of the Investment Officer, the Treasury Supervisor is authorized to make investment decisions for overnight and up to thirty (30) day investment of cash balances, in accordance with and subject to the limitations as set forth in this policy.

All investment decisions shall be made with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity 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 County, Schools, Districts, and other depositors.

4. BIDS & PURCHASE OF SECURITIES

Prior to the purchase of an investment pursuant to this policy the persons authorized to conduct investments shall assess the market and market prices using information obtained from available sources including investment services, broker/dealers, and the media. Bids for various investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor and lastly, yield. Investments in commercial paper, bankers acceptances and certificates of deposit for each issuer shall be limited to 5% of Treasury assets, determined using the Treasury balance at the time of purchase. The investment selected for purchase shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All security transactions shall be documented at the time the transaction is consummated using a Security Transaction form. (Exhibit 1)

5. TERM

The average maturity of Operating Funds shall not exceed one (1) year and the maximum term of a specific investment for operating funds shall not exceed two (2) years, except that investments placed in a managed financial institution investment account may not exceed three (3) years and the managed account shall have an average maturity of 1.5 years or less.

Non-operating Funds such as Capital Funds, Construction Funds or money obtained through the sale of agency surplus property, may be invested by the Treasurer in longer term securities provided the Treasurer obtains written approval from the governing board of the County, School or District. No investment of non-operating funds shall have a term to maturity in excess of five (5) years.

Proceeds of sales or funds set aside for the repayment of any notes shall not be invested for a term that exceeds the term of the notes.

6. ALLOWED INVESTMENTS

Pursuant to California Government Code Sections 53601, 53635 and 53637, the County Treasurer may invest in the following subject to the limitations as set forth:

- (a) United States Treasury obligations.
- (b) United States Agency obligations.
- (c) Federal instrumentalities.
- (d) State of California Bonds and Registered Warrants.
- (e) Bonds, Notes, Warrants or other evidence of indebtedness of a local agency within the State of California.

(f) Bankers acceptances not to exceed 270 days to maturity or at the time of purchase 40 percent of the treasury fund balance.

(g) Commercial paper rated either A-1, P-1, F-1 or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 and having an "A" or higher rating for the issuer's debt as provided for by Fitch Investor Services, Moody's Investors Service or Standard and Poor's Corporation; not to exceed 180 days in maturity or more than 10 percent of the outstanding paper of the issuing corporation. Purchase of eligible commercial paper may not exceed fifteen percent (15%) of the treasury fund balance. An additional fifteen percent (15%) or a total of thirty percent (30%) may be reinvested provided the dollar-weighted average maturity of the additional fifteen percent (15%) does not exceed 31 days.

(h) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a state or federal association or by a state-licensed branch of a foreign bank selected on the basis of financial stability and credit rating criteria employed by the County Treasurer. Negotiable certificates of deposit may not exceed 30 percent (30%) of the treasury fund balance.

(i) Non-negotiable certificates of deposit (Time Deposits) with a nationally or state-chartered bank or a state or federal association selected on the basis of financial stability, credit rating and reputation using criteria employed by the County Treasurer, fully collateralized at 110 percent of market value with U.S. Government Securities, high-grade Municipal Bonds, instruments of federal agencies, including mortgage backed securities at 150 percent (150%) of market value with promissory notes secured by first deeds of trust upon improved residential real property as provided by the Government Code.

(j) Medium-term Notes rated A or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 with a maturity not to exceed two years from the date of purchase. Purchase of eligible medium-term notes may not exceed 30 percent (30%) of the treasury fund balance.

(k) Shares of beneficial interest issued by diversified management companies, investing in securities and obligations as authorized by this investment policy. To be eligible for investment these companies shall attain the highest ranking or the highest letter and numerical rating provided by not less than two or the three largest nationally recognized rating services and have assets under management in excess of \$500,000,000.00. The purchase price may not include any commissions that these companies may charge, and the purchase of such shares may not exceed 15 percent (15%) of the treasury balance.

(l) Repurchase agreements on any investment authorized by this investment policy where the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities, and the value shall be adjusted daily. The County Treasurer or designee must approve any collateral substitution by the seller, and any new collateral should be reasonably identical to the original collateral in terms of maturity, yield, quality and liquidity.

(m) California State Local Agency Investment Pool (LAIF) operated by the State Treasurer's office.

(n) Financial Institution Investment Accounts - All funds on deposit with the County shall be managed by the County Treasurer, except that the Treasurer may, at his option, at the time of placement, place not more than 5% of the Treasury assets with a financial institution for the purpose of managing such funds. Securities eligible for purchase by the financial institution are limited to United States Treasury and Agency obligations with a AAA credit quality rating, must be held in the County's name in a third party custody account, may not exceed three (3) years, and the account shall have an average maturity of 1.5 years or less. All security transactions shall be supervised and approved by the Investment Officer, Assistant Treasurer or Treasurer.

7 PROHIBITED INVESTMENTS

(a) The County Treasurer shall not invest in any Derivatives such as inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages or any security bearing a rate of interest which is not known at the time of purchase.

(b) The County Treasurer shall not invest any funds in any security that could result in zero interest accrual if held to maturity or where there is a risk of loss of principal when held to maturity.

(c) Reverse repurchase agreements, securities lending agreements and all other investments which are not specifically allowed by this investment policy are prohibited.

(d) In accordance with Marin County's Nuclear Freeze Ordinance Measure "A" (Exhibit 2) as approved by the voters on November 4, 1986, the County is prohibited from investing in securities or other obligations of any corporation or business entity which is a nuclear weapons contractor. Furthermore, said corporations or business entities that the County Treasurer does invest in must file an affidavit as required by Measure "A" Section VI. B certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors. A copy of each affidavit received shall be sent to the Peace Commission.

8. BROKERS

Broker/dealers shall be selected based upon the recommendation of the Investment Officer subject to the approval of the Treasurer and Assistant Treasurer. Selection of broker/dealers from among the primary dealers, major money center banks and other firms shall be based upon the following criteria: the reputation and financial strength of the company or financial institution and the reputation and expertise of the individuals employed. The Treasurer shall be prohibited from selecting any broker, brokerage firm, dealer, or securities firm that has, within any 48 consecutive month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the Board of Supervisors, any member of the governing board of a local agency having funds held in the County Treasury, or any candidate for those offices. No broker/dealer shall be approved unless such broker/dealer agrees to comply with the provisions of the Marin County Investment Policy. The broker/dealers shall acknowledge receipt of the County Investment Policy and agree to comply with the policy in the course of conducting business with the County Treasurer.

9. WITHDRAWALS

No withdrawals from the Marin County Pool shall be made for the purpose of investing and or depositing those funds outside the pool without the prior approval of the Marin County Treasurer. The Treasurer shall evaluate each proposed withdrawal to assess the effect the withdrawal will have upon the stability and predictability of the investments in the County Treasury. Approval shall be given unless the withdrawal will adversely affect the interests of the other depositors. Requests for withdrawals for the purpose of investing or depositing funds outside the pool shall be made in writing at least ten (10) business days in advance of the proposed withdrawal date. Notice in writing of at least five (5) business days shall be required for withdrawals in excess of \$250,000.00 for loan repayments, capital expenditures and any expenditure not in the ordinary course of operations.

10. SWAPS

Securities can be swapped for other approved securities with similar maturity schedules to gain higher rates of return. When a swap involves a change in liquidity, future cash needs shall be conservatively estimated.

11. LOSSES

Losses are acceptable on a sale before maturity, and may be taken if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

12. DELIVERY & SAFEKEEPING

Delivery of all securities shall be through a third-party custodian. Non-negotiable certificates of deposit shall be held in the Treasurer's safe. All other securities shall be held by the County's safekeeping agent. No security shall be held in safekeeping by the broker/dealer from whom it was purchased. Settlement payment in a securities transaction will be against delivery only, and a Due Bill or other substitution will not be acceptable. All confirmations must be reviewed for conformity with the original transaction by an individual who did not originate the transaction. Confirmations resulting from securities purchased under a repurchase agreement shall state the exact and complete nomenclature of the underlying securities purchased.

13. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to all pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting whereby interest will be apportioned for the quarter in which it was actually received. The Treasurer shall deduct from the gross interest received those budgeted actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

14. CONFLICT OF INTEREST

A member of the county treasury oversight committee, the County Treasurer, Assistant Treasurer or County employee working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other person with whom the county treasury conducts business in violation of law.

15. AUDITS

The County Auditor shall audit the County Treasurer's office investment function for compliance with policy and state law. The results of this audit shall be reported annually to the Treasurer and the Marin County Treasury Oversight Committee. The County Auditor may issue interim reports as needed. (See Exhibit 3 for the County Resolution establishing the oversight committee.) The investment safekeeping statements shall be audited by the Treasurer's designee.

16. REVIEW

The County Treasurer and the Assistant Treasurer will perform a monthly review of the investment function.

17. REPORTS

The Treasurer shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Treasurer shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, districts, non-pooled investors, the County's investment oversight committee, and any other participant upon request. The Treasurer will provide the County Auditor with a report of each investment at the time each transaction is completed.

18. INVESTMENT POLICY

The County Treasurer shall prepare and submit an annual statement of investment policy to the Board of Supervisors. Consistent with State law the County and Districts have established a Treasury Oversight Committee, and the committee shall review and monitor the policy as required by law.

Dated: April 16, 1997

Michael J. Smith
Marin County Treasurer

SECURITY TRANSACTION

TRADE DATE/TIME _____ / _____

AUTHORIZED BY _____
MARIN COUNTY TREASURER

BANK/FIRM _____

CONTACT _____

TRANSACTION TYPE BUY SELL SWAP

SECURITY DESCRIPTION _____

PAR AMOUNT _____

CUSIP # _____

SETTLEMENT DATE _____

COUPON _____

PRICE/DISCOUNT _____

LAST COUPON PAYMENT
OR ISSUE DATE _____

MATURITY DATE _____

INTEREST PAYMENT _____

YIELD _____

NUMBER OF DAYS _____

CALL DATE _____

COST: PRINCIPAL _____

ACCRUED INTEREST _____

TOTAL _____

WIRE/DELIVERY INSTRUCTIONS _____

PHYSICAL

DTC

SF FEDERAL RESERVE BANK

SAFEKEEPING NOTIFICATION

WIRE NOTIFICATION

BANK _____

BANK _____

CONTACT _____

CONTACT _____

DATE/TIME _____

DATE/TIME _____

BY _____

BY _____

CC: AUDIT DIVISION

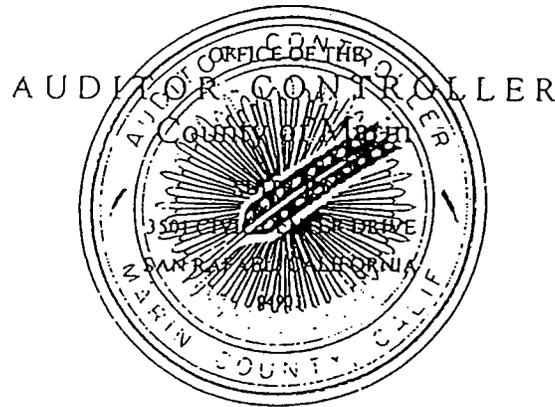
RICHARD S. ARROW, C.P.A.

Auditor-Controller

(415) 499-6154

ANNIKA WILKES
Assistant Auditor-Controller

FAX (415) 499-3785



INDEPENDENT ACCOUNTANT'S REPORT

County of Marin
Investment Oversight Committee

We have examined management's assertion, included in its representation letter dated August 15, 1996, that the County of Marin Treasury ("Treasury") complied with its Statement of Investment Policy ("Policy") during the fiscal year ended June 30, 1996. As discussed in that representation letter, management is responsible for the Treasury's compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Treasury's compliance based on our examination.

Our examination was made in accordance with standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Treasury's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Treasury's compliance with specified requirements.

In our opinion, management's assertion that the Treasury complied with its Statement of Investment Policy during the fiscal year ended June 30, 1996, is fairly stated, in all material respects.

Marin County Auditor-Controller

August 15, 1996

MEASURES SUBMITTED TO VOTE OF VOTERS

COUNTY

COUNTY OF MARIN
NUCLEAR FREE ZONE - MEASURE A

Shall the Initiative Ordinance establishing the County of Marin as a nuclear-free zone, prohibiting the storage and limiting transportation of nuclear weapons related components and wastes, and prohibiting the manufacture of nuclear weapons components, establishing a Peace Conversion Commission, and restricting the County of Marin from contracting with or investing in nuclear weapons contractors, be enacted?

A

MEASURE A
ORDINANCE FOR MARIN COUNTY NUCLEAR FREE ZONE
(Full Text of Ordinance)

WHEREAS, the County of Marin understands that the nuclear arms race threatens the health, safety, and economic well-being of the citizens of this County;

WHEREAS, the production, use, and threatened use of nuclear weapons violates the established principles of International Law and thereby the U. S. Constitution;

WHEREAS, an emphatic expression of the feelings of private citizens and local governments encourages a bilateral verifiable nuclear weapons freeze between the U. S. and U. S. R. and the people of the County of Marin have previously voted in favor of such a policy;

WHEREAS, the people of the County of Marin seek an end to the nuclear arms race, and the redistribution of public resources towards human needs;

WHEREAS, the Marin County Board of Supervisor's previous publication of "The Nuclear Threat to Marin County" makes it clear that normal civil defense preparedness is unrealistic for this County in the event of a nuclear exchange, and that the only defense against nuclear war is the prevention of nuclear war;

WHEREAS, the use, storage, or transportation of weapons-related radioactive nuclear materials or wastes within or through the County of Marin poses a serious health, safety and environmental risk to the residents of this County;

WHEREAS, the presence of a nuclear weapons industry in this county could make Marin County the target of hostile military action or terrorism;

WHEREAS, the refusal of the County of Marin to support or to do business with nuclear weapons contractors may encourage those corporations to abandon their work on nuclear weapons in favor of work that contributes to the public welfare;

WHEREAS, the County's investment of "idle" public funds and public pension funds in, and the granting of public contracts to, corporations engaged in the research and production of nuclear weapons systems can be construed as condoning, encouraging, and supporting the nuclear arms race;

WHEREAS, the investment and expenditure of public funds should be based upon the premise that the people's money be used for the public welfare, within the constraints of local, state, national and international laws; and

...the people of the County of Marin in the nuclear arms race consists of economic investment in, and contracts with, nuclear weapons contractors;

HEREFORE, THE PEOPLE OF THE COUNTY OF MARIN, CALIFORNIA, DO ORDAIN AS FOLLOWS:

Section I A new ordinance for the County of Marin entitled Marin County Nuclear Free Zone, is hereby enacted to read as follows:

Section II Purpose and Findings

The presence of nuclear weapons, or the development, production and/or storage of nuclear weapons-related components and material within the County of Marin is in direct conflict with the maintenance of the community's public health, safety, economic well-being, general welfare, and adherence to International Law.

The purpose of this Ordinance is to establish the County of Marin as a Nuclear Free Zone in which work on nuclear weapons, and/or the storage or transportation of weapons-related components and nuclear material is prohibited, or appropriately restricted.

This Ordinance's further purpose is to prohibit or restrict the County of Marin from contracting for services or products with, or investing County funds in, any business which is a nuclear weapons contractor.

Section III Definitions

As used in this ordinance the following words shall have the following definitions:

- A "Nuclear Weapon" is any device the intended explosion of which results from the energy released by fission or fusion reactions involving atomic nuclei, including the means of propelling, guiding or triggering the device if the means is destroyed or rendered useless in the propelling, guiding, triggering or detonation of the device;
- B "Component of a Nuclear Weapon" is any device, radioactive or non-radioactive, originally produced or manufactured for exclusive use as part of a nuclear weapon system, whether to be placed on land at sea, in the air, or in outer space;
- C "Special Nuclear Material" or "Radioactive Material" is any material giving off, or potentially capable of giving off radiant energy in the form of particles or rays (such as alpha, beta, and gamma rays) by the spontaneous disintegration of atomic nuclei, including accelerator-produced isotopes and by-product materials and any other material which the Nuclear Regulatory Commission determines to be special nuclear material;
- D "Nuclear Waste" is any material which is the by-product of any nuclear reaction or nuclear weapon production, except for the by-product of applied nuclear medicine;
- E "Nuclear Weapons Contractor" is any person, corporation, or other business entity, which knowingly or intentionally is engaged in the research, development, production, or testing of nuclear warheads, nuclear weapons systems, or nuclear weapons components;
- F "Person" is any private person, corporation, institution, or other entity, which is within the jurisdiction of the County of Marin;
- G "Transport and Transportation" is transportation by any means over passable roadways, navigable waterways, or in the air-space, that are within the jurisdiction of the County of Marin, except where referred to as meaning roadways, waterways, or air-space regulated by pre-emptive Federal or State Law;
- H "Direct Activities of the Federal Government" are the actions of the federal government or of its agencies but shall exclude the actions of independent contractors;
- I "County Funds" or "Public Funds" are those monies, grants, and funds received and managed by the County of Marin.

THE COUNTY OF MARIN IS HEREBY DECLARED TO BE A NUCLEAR FREE ZONE.

A. No person shall knowingly engage in any activity within the County of Marin, the purpose of which is the applied research, development, production, transportation, deployment, launching, testing, maintenance or storage of nuclear weapons or components of nuclear weapons. Nor shall any person store, use, transport, or dispose of special nuclear material or nuclear waste within the jurisdiction of the County of Marin.

B. The transportation of nuclear weapons, their fissionable components, and weapons-related nuclear material and wastes through the County of Marin on roadways, waterways, or in air-space regulated by preemptive State or Federal law, in the interest of public health and safety, is subject to the following restriction:

- 1) As to roadways which are within the exclusive jurisdiction of the County of Marin transportation of such materials is prohibited.
- 2) As to roadways which are demonstrably within the jurisdiction of the State, or Federal government, the County Board of Supervisors shall post as a regular monthly notice, once each month, in a newspaper of general circulation within this County the fullest description possible of any shipment of such material that has occurred that previous month, transported through or across the County of Marin by any means of transportation whatsoever.

C. The County of Marin, or any agent thereof, shall not make any contract with, or investments in, any nuclear weapons contractor.

D. The County Board of Supervisors shall adopt a "Peace Conversion Plan", and shall, within 90 days of the enactment of this Ordinance, establish a County of Marin Peace Conversion Commission of not less than three or more than five members, which shall be comprised of volunteers from the community. The purpose of said Commission shall be to divest the County of Marin, as a government entity, within two years of the adoption of this ordinance, of all such existing prohibited investments or contracts held by it. Said Commission shall:

- 1) Conduct studies of existing County contracts and public fund investments with nuclear weapons contractors, and determine in which cases any reasonable alternative contract or investment exists, in a manner consistent with prudent investment policy, and mindful of the intent and purpose of this Ordinance. The Commission shall further make regular reports to the County Board of Supervisors concerning the progress of said divestiture, listing the book value of remaining investments in nuclear weapons contractors.
- 2) Identify those businesses presently existing and operating in the County of Marin, and those who have made application to the County of Marin, who are nuclear weapons contractors. The Commission will be responsible for conducting a timely phase-out of nuclear weapons contractors from the County of Marin, and for insuring the smooth conversion of Marin County businesses to alternative work that is more consistent with the public welfare. For this purpose the Commission shall solicit testimony from the public.

Section V. Exclusions

Nothing in this Ordinance shall be construed to prohibit:

- A. Any activity not specifically described in this Chapter;
- B. Research in and application of nuclear medicine or other pure research unrelated to nuclear weapons;
- C. Beneficial or peaceful uses of the technology such as smoke detectors, light-emitting watches and clocks, and other consumer products; or
- D. Activities of the Federal and State Government that are pre-empted by existing law

A. The County is directed to install and maintain appropriate signs to be displayed at each Ferry Terminal, at Gross Field Airport, and on all the major roads leading into the County of Marin, at or near the County line, including but not limited to the following:

- 1) U.S. Highway 101 (both ends)
- 2) State Highway 1 (both ends)
- 3) State Highway 17
- 4) State Highway 37
- 5) Fallon-Two Rock Road
- 6) Tomales-Petaluma Road
- 7) Chileno Valley Road
- 8) Marshall-Petaluma Road
- 9) Point Reyes-Petaluma Road

identifying Marin as a Nuclear Free Zone and making reference to this Ordinance. Further, the County must notify the Federal Government and other appropriate authorities that this law has been enacted.

B. Before any further public funds shall be invested by the County of Marin in the stock, securities or other obligations of any corporation or business entity, the County Board of Supervisors shall require that said corporation or business submit to the Peace Conversion Commission an affidavit certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors.

C. The County of Marin is directed to require of each city incorporated within Marin County that, in addition to any other information deemed necessary by its business license officer, that any application for a business license within a city in the County of Marin shall state whether or not said business is a nuclear weapons contractor.

D. Each violation of this Ordinance shall be punishable by up to one-half year imprisonment and/or a fine of up to \$500. Each day of violation shall be deemed a separate violation. Residents of Marin shall also have the right to enforce this ordinance by appropriate civil actions for declaratory or injunctive relief. Reasonable attorneys' fees in enforcing this ordinance shall be awarded as is appropriate.

Section VII. Severability. If any section, sub-section, paragraph, sentence or word of this ordinance shall be held unconstitutional, the unconstitutionality of the part of the ordinance shall not affect the other sections, sub-sections, paragraphs, sentences and words of this ordinance, all of which are intended to be severable.

Section VIII. This ordinance shall be in full force and effect thirty (30) days after passage and publication as provided by law.

COUNTY OF MARIN

**STATEMENT OF INVESTMENT
POLICY**



COUNTY OF MARIN

STATEMENT OF INVESTMENT POLICY

Under the authority delegated to the County Treasurer by the Board of Supervisors and in accordance with the California Government Code, the following sets forth the investment policy of the County of Marin:

I. OBJECTIVES:

All funds on deposit with the County Treasurer shall be invested in accordance with the California Government Code to ensure:

- (a) Preservation of capital through high quality investments and by continually evaluating the credit of financial institutions approved for investment transactions, and securities considered and held in safekeeping;
- (b) Maintenance of sufficient liquidity to enable the County of Marin, Schools, Districts and other depositors to meet their operating requirements; and
- (c) A rate of return consistent with the above objectives.

2. PARTICIPANTS

Participants in the Marin County Pool shall be limited to Marin County, Marin County Schools, districts under the control of the County Board of Supervisors, autonomous/independent districts whose treasurer is the Marin County Treasurer, and any other district or agency approved by the Board of Supervisors and the County Treasurer using the County of Marin as their fiscal agent.

3. AUTHORIZED PERSONS

All investment decisions shall be made by either the Investment Officer, Assistant Treasurer or Treasurer, and in the absence of the Investment Officer, the Treasury Supervisor is authorized to make investment decisions for overnight and up to thirty (30) day investment of cash balances, in accordance with and subject to the limitations as set forth in this policy.

All investment decisions shall be made with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting, as a trustee, in a like capacity and familiarity 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 County, Schools, Districts, and other depositors.

4. *BIDS & PURCHASE OF SECURITIES*

Prior to the purchase of an investment pursuant to this policy the persons authorized to conduct investments shall assess the market and market prices using information obtained from available sources including investment services, broker/dealers, and the media. Bids for various investments shall be evaluated considering preservation of capital as the most important factor, liquidity as the second most important factor and lastly, yield. Investments in commercial paper, bankers acceptances and certificates of deposit for each issuer shall be limited to five percent (5%) of Treasury assets, determined using the Treasury balance at the time of purchase, except that investments in overnight commercial paper shall be limited to the lesser of seven percent (7%) of Treasury assets or \$15,000,000. The investment selected for purchase shall be that investment which in the opinion of the purchaser most clearly meets these objectives. All security transactions shall be documented at the time the transaction is consummated using a Security Transaction form. (Exhibit 1)

5. *TERM*

The average maturity of **Operating Funds** shall not exceed one (1) year and the maximum term of a specific investment for operating funds shall not exceed two (2) years, except that investments placed in a managed financial institution investment account may not exceed three (3) years and the managed account shall have an average maturity of 1.5 years or less.

Non-operating Funds such as Capital Funds, Construction Funds or money obtained through the sale of agency surplus property, may be invested by the Treasurer in longer term securities provided the Treasurer obtains written approval from the governing board of the County, School or District. No investment of non-operating funds shall have a term to maturity in excess of five (5) years.

Proceeds of sales or funds set aside for the repayment of any notes shall not be invested for a term that exceeds the term of the notes.

6. ALLOWED INVESTMENTS

Pursuant to California Government Code Sections 53601, 53635 and 53637, the County Treasurer may invest in the following subject to the limitations as set forth:

- (a) **United States Treasury obligations.**
- (b) **United States Agency obligations.**
- (c) **Federal instrumentalities.**
- (d) **State of California Bonds and Registered Warrants.**
- (e) **Bonds, Notes, Warrants or other evidence of indebtedness of a local agency within the State of California.**
- (f) **Bankers acceptances not to exceed two hundred seventy (270) days to maturity or at the time of purchase forty percent (40%) of the treasury fund balance.**
- (g) **Commercial paper rated either A-1, P-1, F-1 or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 and having an "A" or higher rating for the issuer's debt as provided for by Fitch Investor Services, Moody's Investors Service or Standard and Poor's Corporation; not to exceed one hundred eighty (180) days in maturity or more than ten percent (10%) of the outstanding paper of the issuing corporation. Purchase of eligible commercial paper may not exceed fifteen percent (15%) of the treasury fund balance. An additional fifteen percent (15%) or a total of thirty percent (30%) may be reinvested provided the dollar-weighted average maturity of the additional fifteen percent (15%) does not exceed thirty-one (31) days.**
- (h) **Negotiable certificates of deposit issued by a nationally or state-chartered bank, a state or federal association or by a state-licensed branch of a foreign bank selected on the basis of financial stability and credit rating criteria employed by the County Treasurer. Negotiable certificates of deposit may not exceed thirty percent (30%) of the treasury fund balance.**
- (i) **Non-negotiable certificates of deposit (Time Deposits) with a nationally or state-chartered bank or a state or federal association selected on the basis of financial stability, credit rating and reputation using criteria employed by the County Treasurer, fully collateralized at one hundred ten percent (110%) of market value with U.S. Government Securities, high-**

grade Municipal Bonds, instruments of federal agencies, including mortgage backed securities at one hundred fifty percent

(150%) of market value with promissory notes secured by first deeds of trust upon improved residential real property as provided by the Government Code.

(j) **Medium-term Notes** rated A or better, to be chosen from among corporations with assets in excess of \$500,000,000.00 with a maturity not to exceed two years from the date of purchase. Purchase of eligible medium-term notes may not exceed thirty percent (30%) of the treasury fund balance.

(k) **Shares of beneficial interest issued by diversified management companies**, investing in securities and obligations as authorized by this investment policy. To be eligible for investment these companies shall attain the highest ranking or the highest letter and numerical rating provided by not less than two or the three largest nationally recognized rating services and have assets under management in excess of \$500,000,000.00. The purchase price may not include any commissions that these companies may charge, and the purchase of such shares may not exceed fifteen percent (15%) of the treasury balance.

(l) **Repurchase agreements** on any investment authorized by this investment policy where the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at one hundred two percent (102%) or greater of the funds borrowed against those securities, and the value shall be adjusted daily. The County Treasurer or designee must approve any collateral substitution by the seller, and any new collateral should be reasonably identical to the original collateral in terms of maturity, yield, quality and liquidity.

(m) **California State Local Agency Investment Pool (LAIF)** operated by the State Treasurer's office.

(n) **Financial Institution Investment Accounts** - All funds on deposit with the County shall be managed by the County Treasurer, except that the Treasurer may, at his option, at the time of placement, place not more than five percent (5%) of the Treasury assets with a financial institution for the purpose of managing such funds. Securities eligible for purchase by the financial institution are limited to United States Treasury and Agency obligations with a AAA credit quality rating, must be held in the County's name in a third party custody account, may not exceed three (3) years, and the account shall have an average maturity of 1.5 years or less. All security transactions shall be supervised and approved by the Investment Officer, Assistant Treasurer or Treasurer.

7. **PROHIBITED INVESTMENTS**

(a) The County Treasurer shall not invest in any **Derivatives** such as inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages or any security bearing a rate of interest which is not known at the time of purchase.

(b) The County Treasurer shall not invest any funds in any security that could result in **zero interest accrual** if held to maturity or where there is a risk of loss of principal when held to maturity.

(c) **Reverse repurchase agreements**, securities lending agreements and all other investments which are not specifically allowed by this investment policy are prohibited.

(d) In accordance with Marin County's Nuclear Freeze Ordinance Measure "A" (Exhibit 2) as approved by the voters on November 4, 1986, the County is prohibited from investing in securities or other obligations of any corporation or business entity which is a **nuclear weapons contractor**. Furthermore, said corporations or business entities that the County Treasurer does invest in must file an affidavit as required by Measure "A" Section VI. B certifying that neither it, nor its parent company, affiliates or subsidiaries are nuclear weapons contractors. A copy a each affidavit received shall be sent to the Peace Commission.

8. **BROKERS**

Broker/dealers shall be selected based upon the recommendation of the Investment Officer subject to the approval of the Treasurer and Assistant Treasurer. Selection of broker/dealers from among the primary dealers, major money center banks and other firms shall be based upon the following criteria: the reputation and financial strength of the company or financial institution and the reputation and expertise of the individuals employed. The Treasurer shall be prohibited from selecting any broker, brokerage firm, dealer, or securities firm that has, within any 48 consecutive month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the local treasurer, any member of the Board of Supervisors, any member of the governing board of a local agency having funds held in the County Treasury, or any candidate for those offices. No broker/dealer shall be approved unless such broker/dealer agrees to comply with the provisions of the Marin County Investment Policy. The broker/dealers shall acknowledge receipt of the County Investment Policy and agree to comply with the policy in the course of conducting business with the County Treasurer.

9. WITHDRAWALS

No withdrawals from the Marin County Pool shall be made for the purpose of investing and or depositing those funds outside the pool without the prior approval of the Marin County Treasurer. The Treasurer shall evaluate each proposed withdrawal to assess the effect the withdrawal will have upon the stability and predictability of the investments in the County Treasury. Approval shall be given unless the withdrawal will adversely affect the interests of the other depositors. Requests for withdrawals for the purpose of investing or depositing funds outside the pool shall be made in writing at least ten (10) business days in advance of the proposed withdrawal date. Notice in writing of at least five (5) business days shall be required for withdrawals in excess of \$250,000,00 for loan repayments, capital expenditures and any expenditure not in the ordinary course of operations.

10. SWAPS

Securities can be swapped for other approved securities with similar maturity schedules to gain higher rates of return. When a swap involves a change in liquidity, future cash needs shall be conservatively estimated.

11. LOSSES

Losses are acceptable on a sale before maturity, and may be taken if the reinvestment proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment, considering any investment loss or foregoing interest on the original investment.

12. DELIVERY & SAFEKEEPING

Delivery of all securities shall be through a third party custodian. Non-negotiable certificates of deposit shall be held in the Treasurer's safe. All other securities shall be held by the County's safekeeping agent. No security shall be held in safekeeping by the broker/dealer from whom it was purchased. Settlement payment in a securities transaction will be against delivery only, and a Due Bill or other substitution will not be acceptable. All confirmations must be reviewed for conformity with the original transaction by an individual who did not originate the transaction. Confirmations resulting from securities purchased under a repurchase agreement shall state the exact and complete nomenclature of the underlying securities purchased.

13. APPORTIONMENT OF INTEREST & COSTS

Interest shall be apportioned to all pool participants quarterly based upon the ratio of the average daily balance of each individual fund to the average daily balance of all funds in the investment pool. The amount of interest apportioned shall be determined using the cash method of accounting whereby interest will be apportioned for the quarter in which it was actually received. The Treasurer shall deduct from the gross interest received those actual administrative costs relating to the management of the treasury including salaries and other compensation, banking costs, equipment purchased, supplies, costs of information services, audits and any other costs as provided by Section 27013 of the Government Code.

14. CONFLICT OF INTEREST

A member of the county treasury oversight committee, the County Treasurer, Assistant Treasurer or County employee working in the Treasurer's office shall not accept honoraria, gifts, and gratuities from advisors, brokers, dealers, bankers, or other person with whom the county treasury conducts business in violation of law.

15. AUDITS

The County Auditor shall audit the County Treasurer's office investment function for compliance with policy and state law. The results of this audit shall be reported annually to the Treasurer and the Marin County Treasury Oversight Committee. The County Auditor may issue interim reports as needed. (See Exhibit 3 for the County Resolution establishing the oversight committee.) The investment safekeeping statements shall be audited by the Treasurer's designee.

16. REVIEW

The County Treasurer and the Assistant Treasurer will perform a monthly review of the investment function.

The Treasurer shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Treasurer shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, districts, non-pooled investors, the County's investment oversight committee, and any other participant upon request. The Treasurer will provide the County Auditor with a report of each investment at the time each transaction is completed.

17. REPORTS

The Treasurer shall prepare a monthly report listing all investments in the County Pool as of the last day of the month and a report of the average days to maturity and yield of investments in the County Pool. The Treasurer shall also prepare a monthly report for all non-pooled investments. These reports shall be distributed to the Marin County Board of Supervisors, Superintendent of Schools, districts, non-pooled investors, the County's investment oversight committee, and any other participant upon request. The Treasurer will provide the County Auditor with a report of each investment at the time each transaction is completed.

18. INVESTMENT POLICY

The County Treasurer shall prepare and submit an annual statement of investment policy to the Board of Supervisors. Consistent with State law the County has established a Treasury Oversight Committee. The committee includes representatives from the County, Schools and Districts. The committee reviews and monitors the policy as required by law.

Dated: July 1, 1998

Michael J. Smith
Marin County Treasurer



July 20, 1998

Ms. Annika Wilkes
Asst. Auditor-Controller
Marin County
Civic Center, Room 225
San Rafael, CA 94903

Dear Annika:

I recently received a phone call from Peter Cianchetta from the State Controller's staff. He is requesting some additional information in order to complete his desk review of the Investment Reports claim. Specifically, he wants the following:

- ✓ Any source documentation supporting the time claimed by the Treasurer's office. Their first, most unrealistic, choice would be time sheets. If they exist, great...otherwise, calendars, declarations, etc. will have to do.
- ✓ A sample investment report for the past two years.
- ✓ The annual statement of investment policy for the past two years.

Of course, he would like this information as soon as possible. Realistically, I think we probably have a couple of weeks to comply with his request. Please give me a call at (916) 485-8102 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bradley Burgess', is written over a horizontal line.

J. Bradley Burgess
Director

DECLARATION OF MICHAEL J. SMITH

I, MICHAEL J. SMITH, MARIN COUNTY TREASURER,
declare that to the best of my knowledge I was required to spend 54 hours in the fiscal
year ended June 30, 1996, and 69 hours in the fiscal year ended June 30, 1997, to comply
with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.

A handwritten signature in black ink, appearing to read "Michael J. Smith", written over a horizontal line.

MICHAEL J. SMITH

DECLARATION OF GARRY AQUILINO

I, GARRY AQUILINO, ASSISTANT MARIN COUNTY
TREASURER, declare that to the best of my knowledge I was required to spend 9 hours
in the fiscal year ended June 30, 1996, and 6 hours in the fiscal year ended June 30, 1997,
to comply with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.


GARRY AQUILINO

DECLARATION OF MEI ZHUANG

I, MEI ZHUANG, ACCOUNTING ASSISTANT, declare that to the best of my knowledge I was required to spend 43 hours in the fiscal year ended June 30, 1996, and 43 hours in the fiscal year ended June 30, 1997, to comply with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.


MEI ZHUANG

DECLARATION OF EDITH SIMONSON

I, EDITH SIMONSON, ACCOUNTANT II, declare that to the best of my knowledge I was required to spend 24 hours in the fiscal year ended June 30, 1996, and 24 hours in the fiscal year ended June 30, 1997, to comply with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.

Edith Simonson
EDITH SIMONSON

DECLARATION OF TWILA CASTELLUCCI

I, TWILA CASTELLUCCI, MARIN COUNTY INVESTMENT-CASH MANAGEMENT OFFICER, declare that to the best of my knowledge I was required to spend 137 hours in the fiscal year ended June 30, 1996, and 138 hours in the fiscal year ended June 30, 1997, to comply with the requirements of Government Code Section 53646.

Executed this 5th day of August, 1998 at San Rafael, California.


TWILA CASTELLUCCI

07/17/97

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - POOLED INVESTMENT PROGRAM
COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
06/30/1997

IR-1-102R

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY PURCHASE		BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
				DATE	DATE		360	365		
142	LAI	2000000.00	5.667	06/30/1997	07/01/94	20,000,000.00	5.589	5.667	LOCAL AGENCY INVESTMENT FUND	20,000,000.00
1666	LAI	122361.15	5.667	06/30/1997	07/05/95	122,361.15	5.589	5.667	LOCAL AGENCY INVESTMENT FUND	122,361.15
2101	FAC	5000000.00	5.930	07/01/1997	07/02/96	5,000,390.63	5.922	6.004	FEDERAL FARM CREDIT BANK	5,000,000.00
2342	FAD	5000000.00	5.200	07/01/1997	01/03/97	4,870,722.22	5.338	5.412	FREDDIE MAC	4,870,722.22
2445	FAD	5000000.00	5.230	07/01/1997	03/17/97	4,923,002.78	5.312	5.386	FEDERAL FARM CREDIT BANK	4,923,002.78
2520	COM	5000000.00	5.550	07/01/1997	05/15/97	4,965,770.83	5.591	5.668	AMERICAN EXPRESS	4,965,704.86
2534	COM	5000000.00	5.510	07/01/1997	05/22/97	4,969,388.89	5.544	5.621	AMERICAN EXPRESS	4,965,704.86
2534	COM	3000000.00	5.510	07/01/1997	06/02/97	2,986,684.17	5.535	5.611	PRUDENTIAL FUNDING	2,986,159.17
2557	COM	6900000.00	6.080	07/01/1997	06/30/97	6,898,834.67	6.081	6.165	ASSOCIATES OF NORTH AMERICA	6,897,642.35
2398	FAD	5000000.00	5.200	07/02/1997	02/06/97	4,894,555.56	5.312	5.386	FANNIE MAE	4,923,828.33
2428	FAD	5000000.00	5.200	07/02/1997	02/28/97	4,910,444.45	5.285	5.368	FEDERAL HOME LOAN BANK	4,916,483.33
2440	COM	5000000.00	5.310	07/02/1997	03/11/97	4,916,662.50	5.400	5.475	BANK OF AMERICA	4,915,727.50
2450	FAD	5000000.00	5.310	07/02/1997	03/19/97	4,922,562.50	5.394	5.468	FEDERAL HOME LOAN BANK	4,916,483.34
2457	FAD	5000000.00	5.500	07/02/1997	03/26/97	4,925,138.89	5.584	5.661	FANNIE MAE	4,923,828.33
2460	FAD	5000000.00	5.510	07/02/1997	03/27/97	4,925,768.06	5.593	5.671	FANNIE MAE	4,923,828.33
2478	FAD	10000000.00	5.480	07/02/1997	04/10/97	9,873,655.56	5.550	5.627	FANNIE MAE	9,847,656.69
2554	COM	5000000.00	5.570	07/06/1997	06/27/97	4,991,490.28	5.579	5.657	FORD	4,990,605.56
2359	FAD	5000000.00	5.220	07/10/1997	01/10/97	4,868,775.00	5.361	5.435	FEDERAL HOME LOAN BANK	4,868,450.00
2354	FAD	5000000.00	5.220	07/15/1997	01/09/97	4,864,425.00	5.322	5.396	FEDERAL HOME LOAN BANK	4,863,875.00
2491	BCD	5000000.00	5.400	07/16/1997	04/16/97	5,000,000.00	5.400	5.475	WESTAMERICA BANK	5,000,000.00
2303	FAD	5000000.00	5.160	07/21/1997	12/01/96	4,840,183.33	5.305	5.379	FANNIE MAE	4,839,216.66
2233	TRC	5000000.00	5.875	07/31/1997	12/31/96	5,016,406.25	5.335	5.409	TREASURY NOTE	5,002,350.00
2393	FAD	5000000.00	5.210	07/31/1997	02/04/97	4,871,920.84	5.347	5.421	FEDERAL HOME LOAN BANK	4,870,729.17
2555	COM	5000000.00	5.550	08/04/1997	06/27/97	4,970,708.33	5.583	5.660	AMERICAN EXPRESS	4,970,460.17
2489	BAC	5000000.00	5.560	08/11/1997	04/16/97	4,909,650.00	5.662	5.741	BANK OF AMERICA	4,909,079.61
2302	FAD	5000000.00	5.160	08/18/1997	12/01/96	4,820,116.67	5.319	5.393	FANNIE MAE	4,817,866.67
2480	FAD	5000000.00	5.480	08/20/1997	04/11/97	4,900,294.44	5.592	5.669	FEDERAL FARM CREDIT BANK	4,900,650.00
2456	FAD	5000000.00	5.470	08/27/1997	03/25/97	4,882,243.06	5.602	5.680	FANNIE MAE	4,881,997.23
2442	BAC	5000000.00	5.360	09/05/1997	03/12/97	4,868,233.34	5.505	5.582	BANKERS TRUST	4,865,904.67
2238	TRC	5000000.00	5.750	09/30/1997	11/04/96	5,012,500.00	5.381	5.456	TREASURY NOTE	5,003,900.00
2479	FAD	5000000.00	5.600	10/16/1997	04/11/97	4,853,777.78	5.781	5.862	FANNIE MAE	4,855,250.00
2214	TRC	5000000.00	5.625	10/31/1997	10/22/96	5,001,953.13	5.507	5.583	TREASURY NOTE	5,001,550.00
2326	TRC	5000000.00	5.750	10/31/1997	12/19/96	5,008,984.38	5.451	5.527	TREASURY NOTE	5,003,900.00
2332	FAC	5000000.00	5.650	12/26/1997	12/26/96	5,000,000.00	5.573	5.650	FEDERAL HOME LOAN BANK	5,000,300.00
2371	FAC	5000000.00	5.790	01/21/1998	01/21/97	5,000,000.00	5.711	5.790	FEDERAL HOME LOAN BANK	4,996,850.00
2396	FAC	5000000.00	5.875	02/05/1998	02/05/97	5,000,000.00	5.795	5.875	FEDERAL HOME LOAN BANK	4,996,850.00
2515	FAC	5000000.00	5.535	02/25/1998	05/12/97	5,041,843.75	5.980	6.063	SALLIE MAE	4,991,400.00
2449	FAC	5000000.00	5.900	03/19/1998	03/19/97	5,000,000.00	5.879	5.990	FEDERAL HOME LOAN BANK	4,996,850.00
2471	FAC	5000000.00	6.000	04/07/1998	04/07/97	5,000,000.00	6.030	6.100	SALLIE MAE	4,996,850.00
2473	FAC	5000000.00	5.840	04/08/1998	04/08/97	4,990,900.00	6.100	6.114	FREDDIE MAC	5,005,450.00
2490	FAC	5000000.00	6.000	04/17/1998	04/17/97	4,995,200.00	6.100	6.185	FANNIE MAE	5,003,900.00
2499	FAC	5000000.00	6.190	04/24/1998	04/24/97	5,000,000.00	6.105	6.190	FEDERAL HOME LOAN BANK	4,996,850.00
2506	FAC	5000000.00	6.050	05/01/1998	05/01/97	4,996,484.38	6.124	6.209	FEDERAL FARM CREDIT BANK	5,006,250.00
2507	FAC	5000000.00	6.050	05/01/1998	05/01/97	4,992,800.00	6.201	6.287	FEDERAL FARM CREDIT BANK	5,006,250.00
2409	FAC	5000000.00	5.885	05/12/1998	02/12/97	5,000,000.00	5.804	5.885	FEDERAL HOME LOAN BANK	4,996,850.00
2112	FAC	5000000.00	6.455	07/08/1998	07/08/96	5,000,000.00	6.455	6.545	FEDERAL HOME LOAN BANK	5,005,450.00

07/17/97

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - POOLED INVESTMENT PROGRAM
COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
06/30/1997

IR-1-102R

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
<hr/>										
TOTAL		\$245,022,361.15				\$242,802,832.82				\$242,745,017.98
<hr/>										
AMORTIZATION & ACCRETION OF										
PRIMUMS & DISCOUNTS										
						(43,593.10)				
<hr/>										
PURCHASED INTEREST										
										59,193.75
						\$242,759,239.72				\$242,804,211.73

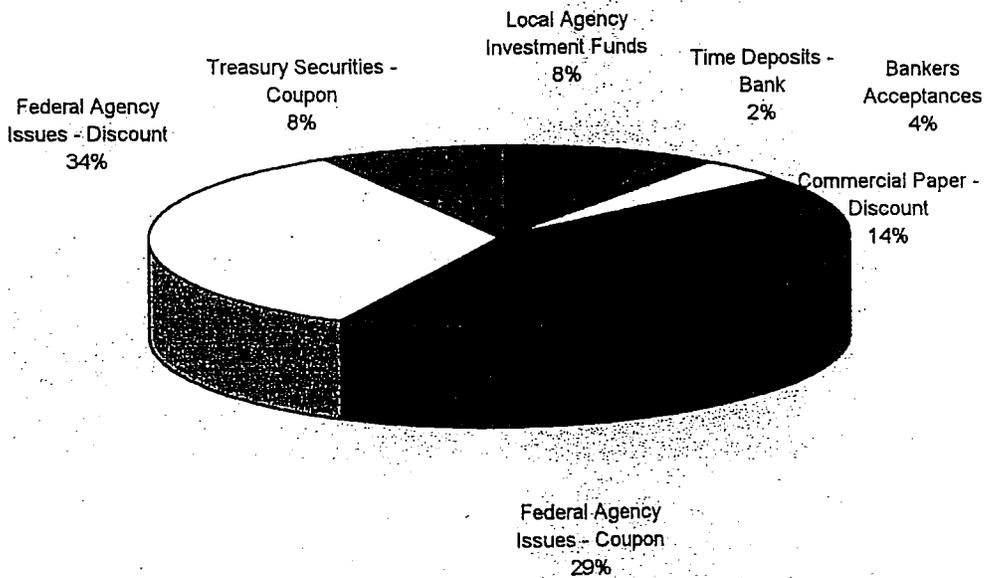
MICHAEL J. SMITH, MARIN COUNTY TREASURER
 PORTFOLIO SUMMARY REPORT - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 JUNE 1 - JUNE 30, 1997

DESCRIPTION	ENDING BALANCE	AVERAGE BALANCE	WEIGHTED AVERAGE	YIELD	YIELD
	JUNE 30, 1997	JUNE 30, 1997	DAYS TO MATURITY		
LOCAL AGENCY INVESTMENT FUNDS	\$20,122,361.15	\$20,122,361.15	1	5.667	5.667
TIME DEPOSITS - BANK	5,000,000.00	5,000,000.00	15	5.475	5.475
BANKERS ACCEPTANCES	9,777,883.34	12,668,883.99	53	5.610	5.662
COMMERCIAL PAPER - DISCOUNT	34,697,539.67	28,077,709.31	6	5.570	5.725
FEDERAL AGENCY ISSUES - DISCOUNT	70,017,618.76	77,130,453.49	253	6.070	6.050
FEDERAL AGENCY ISSUES - COUPON	83,147,586.14	91,854,095.77	20	5.520	5.520
TREASURY SECURITIES - COUPON	20,039,843.76	24,846,648.36	91	5.460	5.494
TREASURY SECURITIES - DISCOUNT	0.00	0.00	0	0.000	0.000
TOTALS & AVERAGES	\$242,802,832.82	\$259,700,152.07	91	5.700%	5.717%

The Local Agency Investment Funds is an open ended account and is not included in the total weighted days to maturity.

Michael J. Smith, Marin County Treasurer
Pooled Investment Program
County of Marin, School & Special Districts
6/30/1997

INVESTMENT HOLDINGS	BOOK VALUE	Portfolio Yields
Local Agency Investment Funds	\$ 20,122,561.15	5.667
Time Deposits - Bank	\$ 5,000,000.00	5.475
Bankers Acceptances	\$ 9,777,383.34	5.662
Commercial Paper - Discount	\$ 31,697,569.67	5.725
Federal Agency Issues - Coupon	\$ 70,017,616.76	6.050
Federal Agency Issues - Discount	\$ 83,147,586.14	5.520
Treasury Securities - Coupon	\$ 20,639,843.75	5.494
TOTAL	\$ 242,802,332.82	5.717



07/17/97

IR-1-SRSR

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - NON OPERATING FUNDS
 SAN RAFAEL SCHOOLS
 06/30/1997

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
687	LA1	54,954.70	5.667	06/30/1997	07/01/92	54,954.70	5.589	5.667	LOCAL AGENCY INVESTMENT FUND	54,954.70
746	LA1	68,740.33	5.667	06/30/1997	07/01/92	68,740.33	5.589	5.667	LOCAL AGENCY INVESTMENT FUND	68,740.33
105	TRC	400,000.00	6.000	05/31/1998	05/31/96	399,702.78	5.957	6.040	TREASURY NOTE	400,812.00
103	FAC	400,000.00	6.435	05/21/1999	05/21/96	400,000.00	6.435	6.524	FEDERAL HOME LOAN BANK	401,688.00
104	FAC	300,000.00	6.320	08/03/2000	05/23/96	298,218.75	6.481	6.571	FANNIE MAE	299,532.00
102	FAC	300,000.00	6.690	05/16/2001	05/16/96	300,000.00	6.690	6.783	FEDERAL HOME LOAN BANK	302,109.00
TOTAL		\$1,523,695.03				\$1,521,616.56				\$1,527,836.03
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS						630.73				\$1,527,836.03
						\$1,522,247.29				\$1,527,836.03

07/17/97

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - NON OPERATING FUNDS
LAS GALLINAS VALLEY SANITARY DISTRICT
06/30/1997

IR-1-0499

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD 360 365	DESCRIPTION	FAIR MARKET VALUE
100	LA1	3,899,831.08	5.667	06/30/1997	07/01/92	3,899,831.08	5.589 5.667	LOCAL AGENCY INVESTMENT FUND	3,899,831.08
TOTAL		\$3,899,831.08				\$3,899,831.08			\$3,899,831.08

07/17/97

COUNTY OF MARIN
PURCHASES REPORT

PU-102

June 1, 1997 - June 30, 1997

INVESTMENT NUMBER	ISSUER CODE	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	YIELD 365	PRINCIPAL PURCHASED	ACCR. INT. PURCHASED	TOTAL
2533	FHLMC	FAD	9,400,000.00	5.520	06/03/1997	06/02/1997	5.675	9,398,558.67	0.00	9,398,558.67
2534	PRU	COM	3,000,000.00	5.510	07/01/1997	06/02/1997	5.689	2,986,684.17	0.00	2,986,684.17
2535	FHLMC	FAD	10,100,000.00	5.500	06/04/1997	06/03/1997	5.655	10,098,456.94	0.00	10,098,456.94
2536	ASSOC	COM	8,400,000.00	5.450	06/05/1997	06/04/1997	5.603	8,398,728.33	0.00	8,398,728.33
2537	ASSOC	COM	8,300,000.00	5.420	06/06/1997	06/05/1997	5.572	8,298,750.39	0.00	8,298,750.39
2538	ASSOC	COM	10,000,000.00	5.310	06/09/1997	06/06/1997	5.461	9,995,575.00	0.00	9,995,575.00
2539	ASSOC	COM	8,100,000.00	5.420	06/10/1997	06/09/1997	5.572	8,098,780.50	0.00	8,098,780.50
2540	ASSOC	COM	9,000,000.00	5.380	06/11/1997	06/10/1997	5.531	8,998,655.00	0.00	8,998,655.00
2541	PRU	COM	5,000,000.00	5.460	06/26/1997	06/11/1997	5.626	4,988,625.00	0.00	4,988,625.00
2542	ASSOC	COM	9,100,000.00	5.400	06/12/1997	06/11/1997	5.552	9,098,635.00	0.00	9,098,635.00
2543	ASSOC	COM	8,500,000.00	5.450	06/13/1997	06/12/1997	5.603	8,498,713.19	0.00	8,498,713.19
2544	FHLMC	FAD	7,500,000.00	5.400	06/16/1997	06/13/1997	5.554	7,496,625.00	0.00	7,496,625.00
2545	FHLMC	FAD	4,600,000.00	5.650	06/17/1997	06/16/1997	5.809	4,599,278.06	0.00	4,599,278.06
2546	FHLMC	FAD	5,600,000.00	5.500	06/18/1997	06/17/1997	5.655	5,599,144.44	0.00	5,599,144.44
2547	ASSOC	COM	10,100,000.00	5.460	06/19/1997	06/18/1997	5.614	10,098,468.17	0.00	10,098,468.17
2548	ASSOC	COM	9,900,000.00	5.350	06/20/1997	06/19/1997	5.500	9,898,528.75	0.00	9,898,528.75
2549	ASSOC	COM	7,200,000.00	5.350	06/23/1997	06/20/1997	5.502	7,196,790.00	0.00	7,196,790.00
2550	ASSOC	COM	8,000,000.00	5.400	06/24/1997	06/23/1997	5.552	7,998,800.00	0.00	7,998,800.00
2551	ASSOC	COM	6,300,000.00	5.350	06/25/1997	06/24/1997	5.500	6,299,063.75	0.00	6,299,063.75
2552	ASSOC	COM	6,600,000.00	5.300	06/26/1997	06/25/1997	5.449	6,599,028.33	0.00	6,599,028.33
2553	ASSOC	COM	9,700,000.00	5.380	06/27/1997	06/26/1997	5.531	9,698,550.39	0.00	9,698,550.39
2554	FORD	COM	5,000,000.00	5.570	07/08/1997	06/27/1997	5.736	4,991,490.28	0.00	4,991,490.28
2555	AMEX	COM	5,000,000.00	5.550	08/04/1997	06/27/1997	5.739	4,970,708.33	0.00	4,970,708.33
2556	ASSOC	COM	11,700,000.00	5.480	06/30/1997	06/27/1997	5.636	11,694,657.00	0.00	11,694,657.00
2557	ASSOC	COM	6,900,000.00	6.080	07/01/1997	06/30/1997	6.251	6,898,834.67	0.00	6,898,834.67
TOTAL			\$193,000,000.00					\$192,900,129.36	\$0.00	\$192,900,129.36

07/17/97

COUNTY OF MARIN
MATURING INVESTMENTS
June 1, 1997 - June 30, 1997

ACCRUAL

MI-1-102

MATURITY DATE	INVESTMENT NUMBER	TYPE	ISSUER	FACE VALUE AT PURCHASE	STATED RATE
06/02/1997	2294	BAC	BANK OF NEW YORK	5,000,000.00	5.337
06/02/1997	2532	FAD	FREDDIE MAC	8,600,000.00	5.533
06/03/1997	2307	BAC	BANK OF AMERICA	3,000,000.00	5.334
06/03/1997	2533	FAD	FREDDIE MAC	9,400,000.00	5.521
06/04/1997	2535	FAD	FREDDIE MAC	10,100,000.00	5.501
06/05/1997	2536	COM	ASSOCIATES OF NORTH AMERICA	8,400,000.00	5.451
06/06/1997	2315	FAD	FANNIE MAE	5,000,000.00	5.283
06/06/1997	2537	COM	ASSOCIATES OF NORTH AMERICA	8,300,000.00	5.421
06/09/1997	2538	COM	ASSOCIATES OF NORTH AMERICA	10,000,000.00	5.312
06/10/1997	2539	COM	ASSOCIATES OF NORTH AMERICA	8,100,000.00	5.421
06/11/1997	2304	FAD	FANNIE MAE	5,000,000.00	5.310
06/11/1997	2540	COM	ASSOCIATES OF NORTH AMERICA	9,000,000.00	5.381
06/12/1997	2542	COM	ASSOCIATES OF NORTH AMERICA	9,100,000.00	5.401
06/13/1997	2543	COM	ASSOCIATES OF NORTH AMERICA	8,500,000.00	5.451
06/16/1997	2544	FAD	FEDERAL HOME LOAN BANK	7,500,000.00	5.402
06/17/1997	2545	FAD	FREDDIE MAC	4,600,000.00	5.651
06/18/1997	2089	FAC	FEDERAL FARM CREDIT BANK	5,000,000.00	5.840
06/18/1997	2546	FAD	FREDDIE MAC	5,600,000.00	5.501
06/19/1997	2547	COM	ASSOCIATES OF NORTH AMERICA	10,100,000.00	5.461
06/20/1997	2548	COM	ASSOCIATES OF NORTH AMERICA	9,900,000.00	5.351
06/23/1997	2549	COM	ASSOCIATES OF NORTH AMERICA	7,200,000.00	5.352
06/24/1997	2550	COM	ASSOCIATES OF NORTH AMERICA	8,000,000.00	5.401
06/25/1997	2551	COM	ASSOCIATES OF NORTH AMERICA	6,300,000.00	5.351
06/26/1997	2541	COM	PRUDENTIAL FUNDING	5,000,000.00	5.472
06/26/1997	2552	COM	ASSOCIATES OF NORTH AMERICA	6,600,000.00	5.301
06/27/1997	2095	FAC	FEDERAL HOME LOAN BANK	5,000,000.00	5.875
06/27/1997	2343	BAC	REPUBLIC NEW YORK	3,000,000.00	5.387
06/27/1997	2399	FAD	FREDDIE MAC	5,000,000.00	5.298
06/27/1997	2553	COM	ASSOCIATES OF NORTH AMERICA	9,700,000.00	5.381
06/30/1997	2293	TRC	TREASURY NOTE	5,000,000.00	6.375
06/30/1997	2556	COM	ASSOCIATES OF NORTH AMERICA	11,700,000.00	5.483

TOTAL

\$222,700,000.00

07/17/97

IR-1-0662R

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - NON-OPERATING FUNDS
 REED SCHOOL DISTRICT
 06/30/1997

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
126	FAC	300000.00	5.910	06/11/98	06/11/97	300,000.00	5.829	5.910	FEDERAL HOME LOAN BANK	299,811.00
116	TRC	300000.00	5.260	07/31/98	02/06/95	281,156.25	7.216	7.317	TREASURY NOTE	298,173.00
113	TRC	300000.00	5.875	03/31/99	04/11/94	294,937.50	6.187	6.273	TREASURY NOTE	299,298.00
123	FAC	300000.00	6.100	02/10/00	07/10/96	292,935.00	6.756	6.850	FANNIE MAE	298,696.00
124	FAC	300000.00	5.720	03/08/01	09/20/96	288,750.00	6.613	6.705	FANNIE MAE	292,641.00
122	FAC	300000.00	6.625	05/21/01	05/21/96	300,000.00	6.534	6.625	FANNIE MAE	301,359.00
TOTAL		\$1,800,000.00				\$1,757,778.75				\$1,789,968.00
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS						22,804.37				
PURCHASED INTEREST										0.00
						\$1,780,583.12				\$1,789,968.00

07/16/98

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 06/30/1998

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD	DESCRIPTION	FAIR MARKET VALUE
142	LA1	20000000.00	5.671	06/30/1998	07/01/94	20,000,000.00	5.593	LOCAL AGENCY INVESTMENT FUND	20,000,000.00
1666	LA1	129444.20	5.671	06/30/1998	07/05/95	129,444.20	5.593	LOCAL AGENCY INVESTMENT FUND	129,444.20
2888	FAD	5000000.00	5.380	07/01/1998	04/08/98	4,937,233.34	5.448	FARMER MAC	4,937,233.34
2987	COM	13000000.00	5.950	07/01/1998	06/30/98	12,997,851.39	5.951	ASSOCIATES OF NORTH AMERICA	12,995,593.29
2983	COM	5000000.00	5.700	07/02/1998	06/26/98	4,995,250.00	5.705	FORD	4,993,637.17
2984	COM	5000000.00	5.700	07/02/1998	06/26/98	4,995,250.00	5.705	PRUDENTIAL FUNDING	4,993,637.17
2976	COM	5000000.00	5.570	07/06/1998	06/22/98	4,989,169.44	5.582	PRUDENTIAL FUNDING	4,987,561.00
2968	COM	5000000.00	5.700	07/06/1998	06/30/98	4,995,250.00	5.705	PRUDENTIAL FUNDING	4,993,731.83
2859	BAC	5000000.00	5.390	07/08/1998	03/17/98	4,915,406.95	5.483	BANK OF AMERICA	4,913,716.73
2799	FAD	5000000.00	5.350	07/10/1998	04/10/98	4,932,381.94	5.423	FANNIE MAE	4,932,119.44
2955	FAD	5000000.00	5.240	07/15/1998	01/21/98	4,872,638.89	5.377	FEDERAL HOME LOAN BANK	4,872,127.78
2980	FAD	5000000.00	5.420	07/17/1998	05/29/98	4,963,113.89	5.460	FANNIE MAE	4,962,808.33
2757	COM	5000000.00	5.530	07/23/1998	06/24/98	4,977,726.39	5.555	AMERICAN EXPRESS	4,976,090.11
2807	FAC	5000000.00	5.735	07/30/1998	12/16/97	5,001,562.50	5.671	FEDERAL HOME LOAN BANK	5,000,000.00
2811	FAD	5000000.00	5.270	07/30/1998	01/28/98	4,866,054.17	5.371	FANNIE MAE	4,865,180.56
2817	TRC	5000000.00	6.250	07/31/1998	02/02/98	5,025,164.02	5.203	TREASURY NOTE	5,003,900.00
2820	TRC	5000000.00	6.250	07/31/1998	02/09/98	5,029,644.34	5.225	TREASURY NOTE	5,003,900.00
2823	TRC	5000000.00	6.250	07/31/1998	02/12/98	5,030,116.98	5.236	TREASURY NOTE	5,003,900.00
2825	TRC	5000000.00	6.250	07/31/1998	02/13/98	5,031,452.87	5.240	TREASURY NOTE	5,003,900.00
2829	TRC	5000000.00	6.250	07/31/1998	02/18/98	5,032,120.82	5.242	TREASURY NOTE	5,003,900.00
2832	TRC	5000000.00	6.250	07/31/1998	02/20/98	5,036,632.42	5.202	TREASURY NOTE	5,003,900.00
2833	TRC	5000000.00	6.250	07/31/1998	02/20/98	5,037,773.00	5.215	TREASURY NOTE	5,003,900.00
2857	FAD	5000000.00	5.400	08/05/1998	06/02/98	4,952,000.00	5.452	FREDDIE MAC	4,951,700.00
2847	FAD	5000000.00	5.320	08/10/1998	03/06/98	4,883,994.45	5.446	FANNIE MAE	4,885,066.67
2849	FAD	5000000.00	5.320	08/11/1998	03/09/98	4,885,472.22	5.445	FANNIE MAE	4,885,066.67
2973	COM	5000000.00	5.520	08/17/1998	06/19/98	4,954,766.67	5.570	FORD	4,953,833.00
2837	FAD	5000000.00	5.270	08/24/1998	02/24/98	4,867,518.06	5.413	FANNIE MAE	4,865,843.06
2850	TRC	5000000.00	6.125	08/31/1998	03/10/98	5,024,337.64	5.360	TREASURY NOTE	5,007,050.00
2889	FAD	5000000.00	5.330	09/01/1998	04/08/98	4,891,919.44	5.448	FANNIE MAE	4,890,866.66
2902	FAD	5000000.00	5.360	09/03/1998	04/14/98	4,894,288.89	5.476	FREDDIE MAC	4,893,483.33
2642	FAC	5000000.00	5.750	09/11/1998	09/15/97	5,000,000.00	5.749	FEDERAL FARM CREDIT BANK	5,005,450.00
2916	FAD	5000000.00	5.360	09/14/1998	04/22/98	4,892,055.56	5.478	FANNIE MAE	4,943,250.00
2638	FAC	5000000.00	5.790	09/16/1998	09/10/97	4,999,218.75	5.801	SALLIE MAE	5,003,900.00
2891	FAD	5000000.00	5.310	09/24/1998	04/08/98	4,875,362.50	5.446	FANNIE MAE	4,873,600.00
2968	FAD	5000000.00	5.390	09/29/1998	06/12/98	4,918,401.39	5.479	FREDDIE MAC	4,917,626.39
2897	FAD	5000000.00	5.320	09/30/1998	04/10/98	4,872,172.22	5.460	FANNIE MAE	4,870,761.11
2876	FAD	5000000.00	5.330	10/05/1998	03/30/98	4,859,300.00	5.556	FREDDIE MAC	4,858,616.67
2887	FAD	5000000.00	5.330	10/09/1998	04/07/98	4,863,048.61	5.294	FREDDIE MAC	4,861,226.39
2864	FAD	5000000.00	5.370	11/09/1998	06/09/98	4,885,887.50	5.495	FREDDIE MAC	4,884,791.67
2772	FAC	5000000.00	5.800	12/18/1998	12/30/97	5,000,781.25	5.780	SALLIE MAE	5,007,050.00
2798	FAC	5000000.00	5.640	01/21/1999	01/21/98	5,000,000.00	5.563	FEDERAL HOME LOAN BANK	5,000,000.00
2861	FAC	5000000.00	5.700	03/17/1999	03/17/98	5,000,000.00	5.622	FEDERAL HOME LOAN BANK	5,000,800.00
2867	FAC	5000000.00	5.625	03/23/1999	03/23/98	5,000,000.00	5.625	FEDERAL HOME LOAN BANK	4,997,650.00
2808	FAC	5000000.00	5.700	04/15/1999	04/15/98	5,000,000.00	5.622	FEDERAL HOME LOAN BANK	4,993,750.00
2909	FAC	5000000.00	5.770	04/15/1999	04/15/98	5,000,000.00	5.691	FEDERAL HOME LOAN BANK	5,003,100.00

MICHAEL J. SMITH, MARIN COUNTY TREASURER
 REPORT OF INVESTMENTS - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 06/30/1998

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
2930	FAC	5000000.00	5.760	05/06/1999	05/06/98	5,000,000.00	5.760	5.840	FEDERAL HOME LOAN BANK	5,002,350.00
2944	FAC	5000000.00	5.830	05/18/1999	05/19/98	5,000,800.00	5.749	5.829	FEDERAL HOME LOAN BANK	4,996,875.00
TOTAL		\$258,129,444.20				\$256,350,335.70				\$256,135,770.90
AMORTIZATION & ACCRETION OF PRIMUMS & DISCOUNTS										-152,712.11
PURCHASED INTEREST										98,101.02
										\$256,197,623.59
										\$256,233,871.92

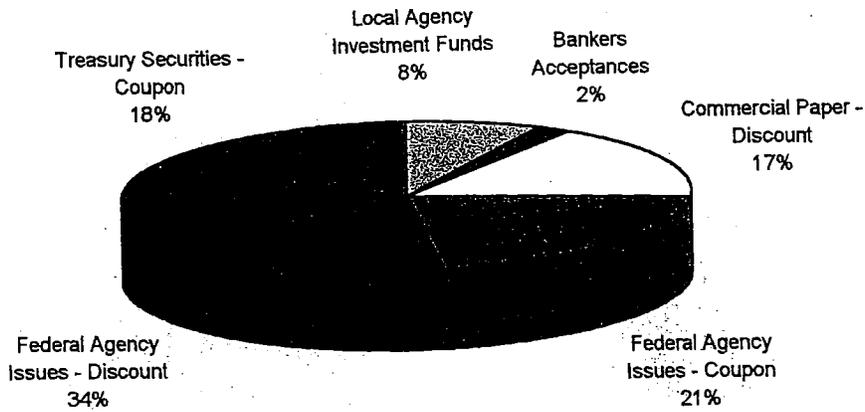
MICHAEL J. SMITH, MARIN COUNTY TREASURER
 PORTFOLIO SUMMARY REPORT - POOLED INVESTMENT PROGRAM
 COUNTY OF MARIN, SCHOOLS & SPECIAL DISTRICTS
 JUNE 1 - 30, 1998

DESCRIPTION	ENDING BALANCE	AVERAGE BALANCE	WEIGHTED AVERAGE	YIELD	YIELD
	JUNE 1998	JUNE 1998	DAYS TO MATURITY	6/1/98 - 6/30/98	JUNE 30, 1998
LOCAL AGENCY INVESTMENT FUNDS	\$20,129,444.20	\$20,129,444.20	1	5.671	5.670
TIME DEPOSITS - BANK	0.00	0.00	0	0.000	0.000
BANKERS ACCEPTANCES	4,915,406.95	4,915,406.95	7	5.559	5.559
COMMERCIAL PAPER - DISCOUNT	42,905,263.89	27,016,011.17	9	5.812	5.780
FEDERAL AGENCY ISSUES - DISCOUNT	55,002,362.50	62,333,833.72	207	5.773	5.520
FEDERAL AGENCY ISSUES - COUPON	88,112,843.07	115,798,575.57	57	5.530	5.370
TREASURY SECURITIES - COUPON	45,285,015.09	45,052,211.64	33	5.310	5.310
TREASURY SECURITIES - DISCOUNT	0.00	0.00	0	0.000	0.000
TOTALS & AVERAGES	\$256,350,335.70	\$275,245,483.25	72	5.602%	5.580%

The Local Agency Investment Funds is an open ended account and is not included in the total weighted days to maturity.

Michael J. Smith, Marin County Treasurer
 Pooled Investment Program
 County of Marin, Schools & Special Districts
 June 30, 1998

INVESTMENT HOLDINGS	BOOK VALUE	Portfolio Yields as of date
Local Agency Investment Funds	\$ 20,129,444.20	5.673
Bankers Acceptances	\$ 4,915,406.95	5.559
Commercial Paper - Discount	\$ 42,905,263.89	5.812
Federal Agency Issues - Coupon	\$ 55,002,362.50	5.773
Federal Agency Issues - Discount	\$ 88,112,843.07	5.530
Treasury Securities - Coupon	\$ 45,285,015.09	5.310
TOTAL	\$256,350,335.70	5.602



07/17/98

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - NON OPERATING FUNDS
LAS GALLINAS VALLEY SANITARY DISTRICT
06/30/1998

IR-1-0489

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD	DESCRIPTION	FAIR MARKET VALUE
100	LA1	4,125,577.89	5.671	06/30/1998	07/01/92	4,125,577.89	5.593 5.671	LOCAL AGENCY INVESTMENT FUND	4,125,577.89
TOTAL		\$4,125,577.89		\$4,125,577.89					\$4,125,577.89

07/16/98

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - NON-OPERATING FUNDS
REED SCHOOL DISTRICT
06/30/1998

IR-1-0662R

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
116	TRC	300000.00	5.250	07/31/98	02/06/95	281,156.25	7.216	7.317	TREASURY NOTE	300,000.00
113	TRC	300000.00	5.875	03/31/99	04/11/94	294,937.50	6.187	6.273	TREASURY NOTE	300,843.00
123	FAC	300000.00	6.100	02/10/00	07/10/96	292,935.00	6.756	6.850	FANNIE MAE	301,968.00
124	FAC	300000.00	5.720	03/08/01	09/20/96	288,750.00	6.613	6.705	FANNIE MAE	299,673.00
122	FAC	300000.00	6.625	05/21/01	05/21/96	300,000.00	6.534	6.625	FANNIE MAE	307,173.00
TOTAL		\$1,500,000.00				\$1,457,778.75				\$1,509,657.00
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS						33,721.58				
PURCHASED INTEREST										0.00
						\$1,491,500.33				\$1,509,657.00

07/16/98

MICHAEL J. SMITH, MARIN COUNTY TREASURER
REPORT OF INVESTMENTS - NON OPERATING FUNDS
SAN RAFAEL SCHOOLS
06/30/1998

IR-1-SRSR

INVESTMENT NUMBER	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	BOOK VALUE	YIELD		DESCRIPTION	FAIR MARKET VALUE
							360	365		
687	LA1	96,768.91	5.671	06/30/1998	07/01/92	96,768.91	5.593	5.671	LOCAL AGENCY INVESTMENT FUND	96,768.91
746	LA1	72,258.99	5.671	06/30/1998	07/01/92	72,258.99	5.593	5.671	LOCAL AGENCY INVESTMENT FUND	72,258.99
103	FAC	400,000.00	6.435	05/21/1999	05/21/96	400,000.00	6.435	6.524	FEDERAL HOME LOAN BANK	402,748.00
104	FAC	300,000.00	6.320	08/03/2000	05/23/96	298,218.75	6.481	6.571	FANNIE MAE	303,936.00
102	FAC	300,000.00	6.690	05/16/2001	05/16/96	300,000.00	6.690	6.783	FEDERAL HOME LOAN BANK	307,734.00
106	FAC	260,000.00	6.000	06/02/2003	06/23/98	260,000.00	6.000	6.083	FEDERAL HOME LOAN BANK	259,430.60
TOTAL		\$1,429,027.90				\$1,427,246.65				\$1,442,876.50
AMORTIZATION & ACCRETION OF PREMIUMS & DISCOUNTS						894.16				\$1,428,140.81

07/16/98

COUNTY OF MARIN
PURCHASES REPORT

PU-102

June 1, 1998 - June 30, 1998

INVESTMENT NUMBER	ISSUER CODE	TYPE	FACE VALUE	STATED RATE	MATURITY DATE	PURCHASE DATE	YIELD 365	PRINCIPAL PURCHASED	ACCR. INT. PURCHASED	TOTAL
2956	ASSOC	COM	13,600,000.00	5.710	06/02/1998	06/01/1998	5.871	13,597,842.89	0.00	13,597,842.89
2957	FHLMC	FAD	5,000,000.00	5.400	08/05/1998	06/02/1998	5.606	4,962,000.00	0.00	4,962,000.00
2958	ASSOC	COM	8,900,000.00	5.550	06/03/1998	06/02/1998	5.706	8,898,627.92	0.00	8,898,627.92
2959	ASSOC	COM	7,700,000.00	5.570	06/04/1998	06/03/1998	5.727	7,698,808.64	0.00	7,698,808.64
2960	ASSOC	COM	6,500,000.00	5.480	06/05/1998	06/04/1998	5.634	6,499,010.56	0.00	6,499,010.56
2961	ASSOC	COM	8,300,000.00	5.410	06/08/1998	06/05/1998	5.564	8,296,258.08	0.00	8,296,258.08
2962	ASSOC	COM	12,300,000.00	5.450	06/09/1998	06/08/1998	5.603	12,298,137.92	0.00	12,298,137.92
2963	ASSOC	COM	7,100,000.00	5.360	06/10/1998	06/09/1998	5.511	7,098,942.89	0.00	7,098,942.89
2964	FHLMC	FAD	5,000,000.00	5.370	11/09/1998	06/09/1998	5.649	4,885,887.50	0.00	4,885,887.50
2965	ASSOC	COM	11,000,000.00	5.350	06/11/1998	06/10/1998	5.500	10,998,365.28	0.00	10,998,365.28
2966	ASSOC	COM	10,500,000.00	5.450	06/12/1998	06/11/1998	5.603	10,498,410.42	0.00	10,498,410.42
2967	ASSOC	COM	9,800,000.00	5.460	06/15/1998	06/12/1998	5.615	9,795,541.00	0.00	9,795,541.00
2968	FHLMC	FAD	5,000,000.00	5.390	09/29/1998	06/12/1998	5.633	4,918,401.39	0.00	4,918,401.39
2969	ASSOC	COM	13,000,000.00	5.690	06/16/1998	06/15/1998	5.850	12,997,945.28	0.00	12,997,945.28
2970	ASSOC	COM	12,000,000.00	5.580	06/17/1998	06/16/1998	5.737	11,998,140.00	0.00	11,998,140.00
2971	ASSOC	COM	11,500,000.00	5.590	06/18/1998	06/17/1998	5.747	11,498,214.31	0.00	11,498,214.31
2972	ASSOC	COM	12,000,000.00	5.480	06/19/1998	06/18/1998	5.634	11,998,173.33	0.00	11,998,173.33
2973	FORD	COM	5,000,000.00	5.520	08/17/1998	06/19/1998	5.726	4,954,766.67	0.00	4,954,766.67
2974	ASSOC	COM	9,900,000.00	5.390	06/22/1998	06/19/1998	5.543	9,895,553.25	0.00	9,895,553.25
2975	ASSOC	COM	13,000,000.00	5.460	06/23/1998	06/22/1998	5.614	12,998,028.33	0.00	12,998,028.33
2976	PRU	COM	5,000,000.00	5.570	07/06/1998	06/22/1998	5.738	4,989,169.44	0.00	4,989,169.44
2977	ASSOC	COM	13,000,000.00	5.380	06/24/1998	06/23/1998	5.531	12,998,057.22	0.00	12,998,057.22
2978	FHLB	FAD	10,000,000.00	5.310	06/30/1998	06/23/1998	5.464	9,989,675.00	0.00	9,989,675.00
2979	ASSOC	COM	13,000,000.00	5.350	06/25/1998	06/24/1998	5.500	12,998,068.06	0.00	12,998,068.06
2980	AMEX	COM	5,000,000.00	5.530	07/23/1998	06/24/1998	5.710	4,977,726.39	0.00	4,977,726.39
2981	ASSOC	COM	5,000,000.00	5.520	06/26/1998	06/25/1998	5.675	4,999,233.33	0.00	4,999,233.33
2982	SARA	COM	9,535,000.00	5.550	06/26/1998	06/25/1998	5.706	9,533,530.02	0.00	9,533,530.02
2983	FORD	COM	5,000,000.00	5.700	07/02/1998	06/26/1998	5.865	4,995,250.00	0.00	4,995,250.00
2984	PRU	COM	5,000,000.00	5.700	07/02/1998	06/26/1998	5.865	4,995,250.00	0.00	4,995,250.00
2985	ASSOC	COM	10,000,000.00	5.600	06/29/1998	06/26/1998	5.759	9,995,333.33	0.00	9,995,333.33
2986	ASSOC	COM	11,500,000.00	5.770	06/30/1998	06/29/1998	5.932	11,498,156.81	0.00	11,498,156.81
2987	ASSOC	COM	13,000,000.00	5.950	07/01/1998	06/30/1998	6.117	12,997,851.39	0.00	12,997,851.39
2988	CARGIL	COM	5,000,000.00	5.700	07/06/1998	06/30/1998	5.865	4,995,250.00	0.00	4,995,250.00

TOTAL \$297,135,000.00

\$296,739,606.65

\$0.00

\$296,739,606.65

07/17/98

COUNTY OF MARIN
MATURING INVESTMENTS
June 1, 1998 - June 30, 1998

ACCRUAL

MI-1-102

MATURITY DATE	INVESTMENT NUMBER	TYPE	ISSUER	FACE VALUE AT PURCHASE	STATED RATE
06/01/1998	2725	FAD	FANNIE MAE	5,000,000.00	5.678
06/01/1998	2954	COM	ASSOCIATES OF NORTH AMERICA	10,000,000.00	5.633
06/02/1998	2956	COM	ASSOCIATES OF NORTH AMERICA	13,600,000.00	5.711
06/03/1998	2958	COM	ASSOCIATES OF NORTH AMERICA	8,900,000.00	5.551
06/04/1998	2959	COM	ASSOCIATES OF NORTH AMERICA	7,700,000.00	5.571
06/05/1998	2748	FAD	FREDDIE MAC	5,000,000.00	5.695
06/05/1998	2960	COM	ASSOCIATES OF NORTH AMERICA	6,500,000.00	5.481
06/08/1998	2779	FAD	FANNIE MAE	5,000,000.00	5.474
06/08/1998	2961	COM	ASSOCIATES OF NORTH AMERICA	8,300,000.00	5.412
06/09/1998	2962	COM	ASSOCIATES OF NORTH AMERICA	12,300,000.00	5.451
06/10/1998	2927	FAD	FREDDIE MAC	5,000,000.00	5.433
06/10/1998	2963	COM	ASSOCIATES OF NORTH AMERICA	7,100,000.00	5.361
06/11/1998	2965	COM	ASSOCIATES OF NORTH AMERICA	11,000,000.00	5.351
06/12/1998	2786	FAD	FANNIE MAE	5,000,000.00	5.360
06/12/1998	2966	COM	ASSOCIATES OF NORTH AMERICA	10,500,000.00	5.451
06/15/1998	2933	COM	CAMPBELL'S SOUP	5,000,000.00	5.482
06/15/1998	2967	COM	ASSOCIATES OF NORTH AMERICA	9,800,000.00	5.462
06/16/1998	2969	COM	ASSOCIATES OF NORTH AMERICA	13,000,000.00	5.691
06/17/1998	2856	FAD	FANNIE MAE	5,000,000.00	5.459
06/17/1998	2970	COM	ASSOCIATES OF NORTH AMERICA	12,000,000.00	5.581
06/18/1998	2971	COM	ASSOCIATES OF NORTH AMERICA	11,500,000.00	5.591
06/19/1998	2911	FAD	FREDDIE MAC	5,000,000.00	5.452
06/19/1998	2972	COM	ASSOCIATES OF NORTH AMERICA	12,000,000.00	5.481
06/22/1998	2938	COM	CAMPBELL'S SOUP	5,000,000.00	5.484
06/22/1998	2974	COM	ASSOCIATES OF NORTH AMERICA	9,900,000.00	5.392
06/23/1998	2594	FAC	FEDERAL HOME LOAN BANK	5,000,000.00	5.720
06/23/1998	2747	FAC	FEDERAL HOME LOAN BANK	5,000,000.00	5.710
06/23/1998	2975	COM	ASSOCIATES OF NORTH AMERICA	13,000,000.00	5.461
06/24/1998	2935	FAD	FEDERAL HOME LOAN BANK	5,000,000.00	5.375
06/24/1998	2977	COM	ASSOCIATES OF NORTH AMERICA	13,000,000.00	5.381
06/25/1998	2979	COM	ASSOCIATES OF NORTH AMERICA	13,000,000.00	5.351
06/26/1998	2948	COM	PRUDENTIAL FUNDING	5,000,000.00	5.530
06/26/1998	2981	COM	ASSOCIATES OF NORTH AMERICA	5,000,000.00	5.521
06/26/1998	2982	COM	SARA LEE	9,535,000.00	5.551
06/29/1998	2901	FAD	FREDDIE MAC	5,000,000.00	5.432
06/29/1998	2985	COM	ASSOCIATES OF NORTH AMERICA	10,000,000.00	5.603
06/30/1998	2877	FAD	FREDDIE MAC	10,000,000.00	5.486
06/30/1998	2978	FAD	FEDERAL HOME LOAN BANK	10,000,000.00	5.315
06/30/1998	2986	COM	ASSOCIATES OF NORTH AMERICA	11,500,000.00	5.771

TOTAL

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\$329,135,000.00

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August 16, 2002

Mr. Walter Barnes
Chief Deputy Controller of Finance
State Controller's Office
300 Capitol Mall, Suite 1850
Sacramento, CA 95814

COPY

Re: County of Marin -
Investment Reports
Chapter 783, Statutes of 1995
Fiscal Years: 1995-96, 1996-97, 1997-98

Dear Mr. Barnes:

By this letter, we are requesting that you restore the disallowances made to the above referenced reimbursement claim.

In the review of the Investment Report Incorrect Reduction Claim by the County of Los Angeles, the request to amend the present Parameters and Guidelines by the City of Newport Beach, as well as a review of your files of our claim, it has come to our attention that the reductions made by the State Controller's Office do not bear a rational relationship to the activities performed and the costs incurred by the County of Marin.

In the within claims, the Controller has reduced the time claimed for the preparation and adoption of the Annual Investment Policy. We are unaware of any basis for the reduction. The costs claimed reflect the true and correct costs by the County in its preparation.

The Controller has also reduced the time claimed for the performance of subsidiary ledger functions, as well as reconciliation of accounts, verification of interest rates, and adjusting to present market value. Not only are these steps necessary to the preparation of the quarterly investment reports, but are provided for in the Parameters and Guidelines. Additionally, at the hearing on Los Angeles County's Incorrect Reduction Claim, Mr. Bill Sherwood spoke how difficult it was to price these investments to market, and the steps that the State Treasurer must go through in order to obtain such information.

The Controller has eliminated the costs for the software used to track the investments in order to generate the investment reports. The Commission has typically allowed software, as well as any related licensing fees, if the usage of the software is a reasonable method of accomplishing the mandated activities. We believe that the

utilization of such software is a reasonable method of accomplishing the mandated activities, and request the restoration of these costs.

Based upon the foregoing, we respectfully request that the disallowed costs be reinstated. If we do not hear from you within 15 days that such costs have been reinstated, we will pursue other avenues to seek their restoration and payment.

Very truly yours,



Nicole R. Zieba
Manager