

LASSEN COUNTY INVESTMENT POLICY
2019-2020

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LASSEN COUNTY TREASURER/ TAX COLLECTOR

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I. Introduction

The purpose of this written Investment Policy (IP) is to establish the guidelines for the prudent investment of the combined pool and other funds managed by the Lassen County Treasurer. The objectives of managing the combined pool are safety, liquidity, yield and compliance with applicable laws and policies.

Though all investments contain a degree of “risk” the proper concern for prudence, the maintenance of a high level of ethical standards, and the proper delegation of authority reduces the potential for any realized loss.

This policy establishes the standards under which the County Treasurer will conduct business with financial institutions with regard to the investment process. These standards establish the basis for the investment program.

Appropriate use of internal controls provides a basis upon which – reliance may be placed on the Treasury reports. In addition, these controls provide clear standards for appropriate documentation of reports. Independent audits conducted at the pleasure of the County Board of Supervisors, the County Auditor-Controller, and the County Treasury Oversight Committee (CTOC); verify that the Treasurer’s Cash Management Program is managed in accordance with this IP.

II. Scope

This policy is intended to cover all investment activities under the direct authority of the County Treasurer.

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III. Objectives

The primary objectives are safety, liquidity, yield, and compliance as established in Government Code §27000.

A. SAFETY

The portfolio shall be managed in a manner that ensures the preservation of capital. The objective is to minimize credit risk and interest rate risk.

1. Credit Risk

Credit Risk is the risk of loss due to the failure of the security issuer or backer. Credit risk may be minimized by:

- a.) Limiting investments to the safest types of securities.
- b.) Pre-qualifying the financial institutions.
- c.) Diversifying the portfolio.

2. Interest Rate Risk

Interest rate risk is the exposure of the portfolio to a loss in market value due to market forces. Interest rate risk may be minimized by:

- a.) Structuring the investment portfolio so that securities mature to meet cash flow requirements for ongoing operations, and thereby avoiding the need to sell securities on the open market prior to maturity.
- b.) Investing idle funds primarily in shorter-term securities.

B. LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all operating requirements.

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C. YIELD

Each purchase made shall be of the highest available yield consistent with other investment criteria.

D. COMPLIANCE

This IP is written to be in compliance with California and Federal law. The combined pool shall be managed in compliance with this policy and applicable law.

IV. Standards of Care

A. PRUDENCE

The County Treasurer shall manage the portfolio pursuant to the “Prudent Investor Standard as defined in the California Government Code §27000.3 and §53600.3”.

Investment personnel, while exercising due diligence and acting in accordance with written procedures, the Treasurer’s Cash Management Plan, and this IP, shall be relieved of personal responsibility for credit risks or market price changes, provided material deviations from expectations are reported in a timely manner.

B. ETHICS AND CONFLICTS OF INTEREST

Individuals performing the investment function and members of the CTOC shall maintain the highest standards of conduct. Each person performing the investment function and members of the CTOC must maintain their independence and not have actual conflicts of interest. In addition, they shall avoid the appearance of having conflicts of interest or having lack of

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independence. Therefore, County Treasury investment personnel and members of the CTOC are subject to the following prohibitions and disclosures:

1. Prohibitions

- a.) The County Treasurer/Tax Collector officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could affect their ability to make impartial decisions.
- b.) Officers and employees shall refrain from undertaking personal or financial investment transactions with the same individual or firm with whom business is conducted on behalf of County institutions, except for those that do not deviate from products and services offered to the public at market rate.
- c.) Investment personnel shall not accept gifts or gratuities from any bank, broker, dealer, or any other person, firm or organization which the County conducts business. Exceptions may be made for minor items of advertising such as pens, calendars, etc., which are of minimal value with the approval of the County Treasurer.

2. Disclosures

- a.) Investment personnel shall disclose any material interest in financial institutions with which they conduct County business. They shall further disclose any personal financial/investment positions that could create the appearance of lack of independence.
- b.) Nothing in this IP supersedes any County ordinance or state law which regulates conduct. This policy may set standards higher than those established by ordinances or other laws.

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C. Delegation of Authority

California Government Code (Section §27000.1) authorizes the Board of Supervisors to, by ordinance; delegate to the County Treasurer the Authority to invest funds of the County as well as funds of other depositors. Lassen County Ordinance No. 540, Lassen County Code (Sec. 3.12.010):

- 1.) Authorizes the Treasurer to invest County Funds
- 2.) Requires the County Treasurer/Tax Collector to present a proposed statement of investment policy to the Board of Supervisors.
- 3.) Requires the Board to renew this delegation of authority annually on or before July 1.

No person may engage in an investment transaction except when delegated to do so by the County Treasurer and only as provided under the terms of this policy and the procedures established and approved by the County Treasurer. The Treasurer shall be responsible for the investment of all funds within the County Treasury including the investment of bond issue funds.

V. FINANCIAL INSTITUTIONS

A. Authorized Financial Dealers and Institutions

The County Treasurer, in selecting financial institutions for the investment or deposit of funds, shall consider and monitor the credit worthiness of each institution. The County Treasurer shall approve each institution maintained on the authorized list which he feels is the best interest of the County.

B. Criteria for Selecting Security Brokers and Dealers

1. The criteria shall prohibit the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount

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exceeding the limitations contained in Rule G-37 of the Municipal Securities Rule Making Board, to the County Treasurer, any member of the governing board of the local agency, or any candidate for those offices.

2. All financial institutions and broker/dealer who desire to become qualified bidders for investment transactions must meet the following conditions as appropriate:
 - a.) Complete all investment transactions in a timely manner.
 - b.) Maintain the normal and accepted industry standards for doing business.
 - c.) Meet or exceed the minimum Financial Institutions standards identified under this policy.
 - d.) Agree not to provide any gift or gratuity to any Lassen County investment personnel or to any member of the CTOC.
 - e.) Agree to comply with this policy.

C. AUTHORIZED LIST REVIEW

The County Treasurer, or the designee, will periodically, but not less than annually, review each financial institution on the authorized list. If, in the County Treasurer's opinion, it is in the County's interest, the County Treasury will continue doing business with that financial institution and they will remain on the authorized list.

VI. Internal Controls

A. Internal Control Structure

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An internal control structure shall be established and maintained that is appropriate for the circumstances. The internal controls shall be designed to provide reasonable assurances that the County Treasury assets are protected.

B. Analytical Services

The Treasurer shall contract for necessary analytical services in the form of consultants and/or software as needed consistent with budgeted allocations.

VII. Custodial Services

Custodial services shall be maintained at the following standard:

A. Third Party

Securities purchased from any bank or dealer, including appropriated collateral (as defined by State law) shall be placed with an independent third party for custodial safekeeping.

B. Accounting

Monthly safekeeping statements shall be received from banks and other third parties where securities are held.

C. Vault Safekeeping

Collateralized certificates of deposits shall be retained in the County Treasurer's vault or other Authorized Custodian.

D. Transactions for Investments

1. A list of individuals and their signatures, who are authorized to handle investment transactions and wire transfers, shall be provided to the safekeeping institution and the depository bank,

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2. A written confirmation to the safekeeping institution shall be made of all investment purchase or sale transactions, either by written letter, fax, or on-line transactions.

E. Delivery vs. Payment

All trades, where applicable, shall be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institutions prior to the release of funds.

VIII. Audits

A. Annual Review

To ensure compliance with law and County policies and procedures, independent certified public accountants will annually audit the County, including the office of the County Treasurer. The CTOC may utilize the services of the County Auditor-Controller; the County's contracted auditors, and independent certified public accountant separately contracted by the CTOC, or any combination thereof.

B. Monthly/ Quarterly Review

Monthly, the County Auditor-Controller shall perform a cash audit of the County Treasury. This audit shall verify the financial status of the Treasury investments quarterly;

IX. RESTRICTIONS APPLICABLE TO ALL INVESTMENTS

The following restrictions apply to all investments purchased on behalf of the County Treasurer.

A. Investment Origination

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Investment transactions shall originate at the office of the County Treasurer.

B. Authorized Personnel

All investment transactions shall be made by personnel authorized by the County Treasurer.

C. Holding to Maturity

Investments shall be purchased with the intent of holding the security to maturity. Trading of any security before maturity requires authorization by the County Treasurer.

D. Authorization

All investments purchased must be authorized by and are subject to the limitations of this IP. All purchases must be completed through financial institutions authorized by the County Treasurer.

E. Maximum Maturity

All investments, unless otherwise restricted, shall not exceed a maturity of five years.

F. Approved Securities

The County Treasurer shall maintain internal lists of approved issuers of various securities.

G. Holidays and Other Non-Work Days

When any maturity has a maximum time limit and that date falls on a weekend or County holiday, the number of days calculated shall be based on counting all the days to the first working day past the maturity date.

H. Collateralization

Collateral taken on investments shall be priced at market value and must equal or exceed the amount required by law. Full collateralization is required on repurchase agreements and collateralized certificates of deposit. The collateral requirements, with respect to collateralized certificates of deposit that are covered under the FDIC program, are exempt to the amount covered.

I. Competitive Pricing

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When purchasing securities, the Treasurer or authorized personnel shall attempt to obtain pricing from at least two broker dealers prior to purchase.

X. General Investment Parameters

A. Diversification

Investments shall be diversified by security type and institution to avoid losses that may be associated with either.

B. Maturities

To the extent possible, investments shall be matched to anticipated cash flow requirements.

C. Reporting

1. A summary of all new investment transactions shall be recorded on the Treasurer's Daily Report (TDR), a copy of which shall be filed with the County Auditor-Controller. The County Board of Supervisors and the County Auditor-Controller shall receive a monthly report detailing each investment contained in the Treasurer's portfolio at month's end. The monthly report shall contain each securities purchase cost, maturity and call dates and current market value. The TDR for month-end will accompany this report.
2. Quarterly reports shall be produced and distributed in accordance with California law and by resolution of the County Board of Supervisors.

This report shall be distributed as follows:

- a. The County Treasurer shall render a Quarterly Report to the County Administrative Officer, Auditor-Controller, and Board of Supervisors within 30 days following the end of the quarter covered by the report.
- b. The County Treasurer shall provide the CTOC with the Quarterly Report within 30 Days following the end of the quarter covered by the report.

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c. The County Treasurer may include the Quarterly Report on the Board of Supervisors agenda within 60 days following end of the quarter covered by the report.

3. When reports issued include market values of securities held, the source of those values shall be from the custodian bank.

D. Performance Standards

The investment portfolio will be managed in accordance with the standards established under this policy and the Treasurer's Cash Management Plan.

E. Market Value Reporting

Market value reporting will be provided in accordance with California law and Section X. C. of this policy.

F. Proceeds From the Issuance of Debt

Proceeds will be invested according to the limitations of California law and appropriate issuing documents

G. Specific Investments

Specific investments directed by participant depositors may be made on behalf of the participant depositor, subject to the terms and conditions agreed upon by the County Treasurer and the participant depositor.

XI Authorized Investments

All investments must be made subject to California and Federal law. It is the intent of this IP to further restrict allowable investments for the combined pool in a way to reduce exposure to investment risks. The following investments are authorized by California law and are permitted by this policy, subject to the listed restrictions.

A.

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Investment	California Legal Requirements Lassen County Treasurer's Requirements
Government Obligations: U.S. Treasury and Agency Obligations (U.S. Treasury obligations are bills, notes, and bonds issued by and direct obligations of the U.S. Govt. Agency obligations are notes and bonds of Federal agencies and government sponsored enterprises, although not direct obligations of the Treasury, they involve federal sponsorship or guarantees).	Authorized by GC 53601(b), (f) 1. No limit on amount in the portfolio 2. Needs Board approval beyond 5 years (GC 53601) 3. No minimum credit requirement
Supranationals- Washington dollar denominated (International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IAD))	Authorized by GC 53601 (q) 1. Must have an "AA" rating or better by a nationally recognized statistical rating organization (NRSRO) 2. Not to exceed 5 years 3. Not to exceed 30% of portfolio
California State Registered Warrants California State Treasury Notes and Bond (Short-term obligation of the State governmental body issued in anticipation of revenue)	Authorized by GC 53601(c)(d) 1. No limit on amount in the portfolio
Local Agency Obligations (Bonds, notes, warrants or other evidences of indebtedness of any local agency or by a department, board or authority of any local agency within the 50 United States).	Authorized by GC 53601(a)(c)(d)(e) 1. No limit on amount in the portfolio 2. Minimum credit requirement – Issuers must be at or above the following investment grade from one of these rating firms: Standard’s & Poor’s – Sp-1 or A; Fitch – F-1 or A; Moody’s – MIG 1 or A
Bankers Acceptances- (Domestic only) (A draft or bill of exchange accepted by a bank or trust company and brokered to investors in a secondary market. Its’ purpose is to facilitate trade and provide liquidity to the import-export markets).	Authorized by GC 53601(g) 1. Not to exceed 180 days 2. Not to exceed 40% of portfolio 3. Not to exceed 30% of portfolio if done with one commercial bank
Funds: Money Market (Shares of beneficial interest issued by management companies. Shares represent ownership of a diversified portfolio of securities, which are redeemable at their net asset value).	Authorized by GC 53601(l) 1. The pooled investments that comprise these ‘funds’ must comply with 53601 and 53630 inclusive.
Commercial Paper (Short-term, unsecured, promissory notes issued by firms in the open market. These notes are generally backed by a bank credit facility, guarantee/bond of indemnity, or some other support agreement)	Authorized by GC 53601(h), GC 53601.2, GC 53635(a) 1. The corporations “other” debt must be rated “A” or better 2. Only U.S. corporations, having assets of \$500 million 3. Not to exceed 270 days 4. Total of ALL commercial paper in our portfolio

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	<p>may not exceed 40% of "Dollar Weighted" average balance</p> <p>5. No more than 10% of the allowable 40% of the portfolio, may be invested with any single corporate issuer</p> <p>6. Not to exceed 10% of outstanding paper with one corporation</p>
<p>Medium-Term Notes (Corporate notes, Deposit notes and Bank Notes sold by an agent in the open market on a continually offered basis. These notes are debt obligations generally unsecured, although some issues come to market on a collateralized or securitized basis).</p>	<p>Authorized by GC 53601(k) ,GC 53601.2</p> <p>1. Must have an "A" rating or better" Issued by: a. U.S. corporations. b. U.S. licensed depository institutions c. State licensed depository institutions</p> <p>2. Not to exceed 30% of portfolio</p> <p>3. Not to exceed 5% of the portfolio with one single issuer</p>
<p>Negotiable Certificates of Deposit (Issued by commercial banks and thrift institutions against funds deposited for specified periods of time and earn specified or variable rates of interest. NCD's differ from other CD's because of their increased liquidity as they are actively traded in the secondary market).</p>	<p>Authorized by GC 53601(i) , GC 53638</p> <p>1. Not to exceed 30% of maximum portfolio</p> <p>2. Must not exceed the shareholder's equity of any depository bank</p> <p>3. Must not exceed the total net worth of any savings association or federal association</p> <p>4. Must not exceed the total unimpaired capital and surplus of any credit union</p> <p>5. Must not exceed the total unimpaired capital and surplus of any industrial loan company</p>
<p>Repurchase Agreement (These are agreements between an investor (the pool) who agrees to purchase securities and a seller (dealer/broker), who commits to repurchase these securities at a later date at the same price, plus interest)</p>	<p>Authorized by GC 53601(j)</p> <p>1. Market value of the security must be 102% or greater, and adjusted quarterly</p> <p>2. The minimal market value of 102% cannot be established by more than the next business day</p> <p>3. Requires a signed Master Repurchase Agreement from the participating bank or broker/dealer</p>
<p>Certificates of Deposit (A deposit of funds made by the County Treasurer in state or national banks, savings and loans institution, federal credit unions, or FDIC insured companies in the United States).</p>	<p>Authorized by GC 53635, GC53635.2, GC53635.8, GC53636, GC 53637, GC 53638, GC 53641</p> <p>1. Must not exceed the shareholder's equity of any depository bank</p> <p>2. Must not exceed the total net worth of any savings association or federal association</p> <p>3. Must not exceed the total unimpaired capital and surplus of any credit union</p> <p>4. Must not exceed the total unimpaired capital and surplus of any industrial loan company</p> <p>5. Not to exceed 30% of portfolio</p>
<p>Local Agency Investment Fund (LAIF) (A voluntary program created by statute in 1977 as an investment alternative for California's local governments and special districts).</p>	<p>Authorized by GC 16429.1(b)</p> <p>1. Places cap of \$50 million of Treasury Pool.</p> <p>2. To be used for liquidity</p>
<p>California Asset Management Program ("CAMP" is a California Joint Powers Authority</p>	<p>Authorized by GC 53601(p).</p> <p>1. To be used for liquidity</p>

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established in 1989, as a vehicle for public agencies to jointly exercise their common power to invest the proceeds of debt issues and Public Agency surplus funds.)	
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XII. Policy Issues

A. Exemption

Any investment held at the date of this revision not meeting the guidelines of this policy shall be exempted from the requirements of revisions subsequent to their acquisition. At maturity or liquidation, any replacement investments shall be in compliance with the revised policy.

B. Amendments/Revisions

This IP revision will remain in force until amended in writing by the County Treasurer. Major interim revisions or amendments to the IP will be filed with the County Board of Supervisors, CTOC, and other officials as deemed appropriate. Minor changes, and/or Glossary updates not considered by the County Treasurer as significant, will be maintained with the County Treasurer and incorporated into the annual revision.

C. Calculations and Apportioning Interest and Costs of Investing

The manner of calculating and apportioning the costs of investing, depositing, auditing, reporting, or otherwise, handling or managing funds is as follows:

- 1 Total earnings for all funds will be accounted for and accumulated.
Government Code Section 27013 states that the Treasurer "...may deduct from interest or income, before distribution thereof, the actual administrative cost of such investing, depositing or handling of funds and of distributions of such interest or income. Such cost reimbursement shall be paid into the county general fund." All costs incurred as described in Government Code Sections 27013, 27133, and 27135 will be accounted for and paid out of earnings.

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- 2 All costs will be distributed equally, except for the banking costs, which will be distributed at 80 percent against earnings of non-specific investments with the remaining 20 percent against earnings of all investments.
- 3 Interest shall be apportioned on a cash basis, quarterly based on average daily balance of funds, until such time as the Treasurer determines that adequate systems exist to apportion interest on an accrual basis. At such time a conversion from cash to accrual will be completed

D. Criteria for Considering Requests to Withdraw for Investment Purposes

The County Treasurer shall provide a form to agencies requesting withdrawal of funds for investment purposes. Assessment of the effect of a proposed withdrawal on the stability and predictability of the investments in the County Treasury will be based on the following criteria:

1. Size of the withdrawal.
2. Size of remaining balances of:
 - a. Pool
 - b. Agency
3. Current market condition.
4. Duration of withdrawal.
5. Effect on predicted cash flows.
6. A determination if there will be sufficient balances remaining to cover costs.
7. Adequate information has been supplied to the County Treasurer in order to make a proper finding that other pool participants will not be adversely affected.

E. Terms and Conditions for Non-Statutory Combined Pool Participants

All entities qualifying under Government Code Section 27133(g), may deposit funds for investment purposes providing all of the following has been accomplished:

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1. The agency's administrative body has requested the privilege, has agreed to terms and conditions of an investment agreement as prescribed by the County Treasurer, and has by resolution identified the authorized officer acting on behalf of the agency.
2. The County Auditor-Controller shall prescribe the appropriate accounting procedures.

F. Bank Accounts

The opening or closing of all County Bank accounts shall be approved by both the County Treasurer and the County Auditor.

XIII. Glossary of Terms

Some terms or words used in this document have specific meaning relative to this IP. The following are described as they pertain to this IP. Terms not defined in the glossary are to be interpreted with their standard accepted definition.

Broker/Dealer

Any financial institution which is authorized under California law to offer securities to Governmental agencies.

Collateral

Assets pledged as security for applicable investments. Pledged securities must meet the requirements of California law.

Assets pledged as security

Confirmation

Formal memorandum from a broker/dealer to the County Treasury giving the details of a securities transaction for a purchase or sale. The confirmation is compared to the Treasury Investment Manager (TIM) reports by a management person other than the person involved in the investment transaction. Discrepancies, as defined in this Glossary

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are reported immediately to the County Treasurer or a designated manager. (See **Discrepancy**)

Custodian/Custody

The financial institution where the investments purchased by the County Treasury are held.

Delivery vs. Payment

Delivery of securities purchased by the County Treasury is made to the County Treasurer's custodian in exchange for payment.

Discrepancy

A difference or variance from what is expected or stated. Any of the following discrepancies found in the County Treasury investment confirmation process are reported immediately to the County Treasurer or designated management person: (See

Confirmation)

1. Description of Security
2. Broker Information
3. Purchase or maturity date
4. Full value of a security
5. Purchase price greater or less than \$.05
6. Interest amount greater or less than \$.05
7. Confirmation not received within 10 business days

Diversification

The spreading of risk by investing in multiple categories.

Idle Funds

Funds in the County Treasury not required for immediate cash flow needs.

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Informal Competitive Bid

A verbal or written bid submitted to the County Treasury/or designee by a broker/dealer for a specific issue at a specific price or yield.

Investments

Following are definitions for many government code authorized investments listed in Section XI of this IP.

Treasury Bills are short-term obligations of the United States Government, usually sold at a discount. Each week the U.S. Treasury issues both a 3-month (91-day) and a 6-month (182-day) bill. Every four weeks, the U.S. Treasury issues a 1-year bill. All treasury bills settle on a Thursday.

Treasury Notes are intermediate term obligations of the United States Government. They are sold by cash subscription, in exchange for outstanding or maturing government issues. Maturities range from one to ten years.

Treasury Bonds are long term obligations of the United States Government. They are sold by cash subscription, in exchange for outstanding or maturing government issues. Original maturities are ten years or more.

Federal National Mortgage Association (FNMA or Fannie Mae) is a publicly owned federally chartered corporation established in 1938. It carries a congressional mandate to promote a secondary market for conventional and FHA/VA single and multi-family mortgages. It is a publicly held company whose stock trades on the New York Stock Exchange. Both discount notes and bonds are issued.

Federal Home Loan Mortgage Corporation (FHLMC) is a stockholder owned corporation established by Congress in 1970 to provide a continuous flow of funds to mortgage lenders, through developing and maintaining an active nationwide secondary market in conventional residential mortgages. It is a publicly held corporation whose stock trades on the New York Stock Exchange. Both discount notes and bonds are issued.

Federal Home Loan Bank (FHLB) created in 1932, is made up of 12 regional banks, which are owned by private member institutions and regulated by the Federal Housing Finance Board (FHFB). Functioning as a credit reserve system, they facilitate extension of credit through owner-members in order to provide access to housing and to improve

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the quality of communities. It raises money by issuing notes and bonds and lends money to savings and loans and other mortgage lenders based on the amount of collateral the institution can provide. Both discount notes and bonds are issued.

Federal Farm Credit System (Farm Cr) created by Congress in 1916, this nationwide system of banks and associations provides mortgage loans, credit related services to farmers, rural homeowners, and agricultural and rural cooperatives. The banks and associations are cooperatively owned, directly or indirectly, by their respective borrowers. The network of 12 Farm Credit District Banks issue securities on a consolidated basis. Discount notes are issued for 5 to 270 days. Bonds are issued with 6 and 9 month maturities.

Maturity/Maturity Date is the date on which the principal amount of a security becomes due and payable. At maturity the custodian redeems the security for cash.

Moody's Investors Service, Inc., (Moody's) is one of the two best known rating agencies in the United States, the other being Standard and Poor's Corporation (S&P).

Prudent Investment Standards, when managing public funds, a trustee shall act with care, skill, and prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to the general economic conditions and the anticipated needs of the county and other depositors, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain with liquidity needs of the county and the other depositors.

Rating is the evaluation of financial institutions' investment and credit risks by professional institutional rating services.

Safekeeping is the storage and protection of securities provided by an institution where control is designated by the County Treasury. (See **Custodian/Custody**).

Securities and Exchange Commission (SEC) an Agency created by Congress to protect investors in securities transactions by administering securities acts. The statutes administered by the SEC are designed to promote full public disclosure and protect the investing public against malpractice in the securities market.

Short-Term are investments with maturities of one year or less.

Standard and Poor's Corporations (S&P) one of the best known rating agencies in the United States, the other being Moody's Investor Service, Inc. (Moody's).

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Treasurer's Daily Report (TDR) a report prepared daily by the County Treasury cashier summarizing the day's receipts and disbursements, investment activity, and cash. Month to month totals are also reported for receipts and disbursements. The TDR is submitted daily to the County Auditor-Controller. At month-end the TDR is submitted to the County Board of Supervisors, County Administrative Officer, and County Auditor-Controller.

Yield the return on an investment. The County Treasury uses the following formula for calculating yield on securities held in the portfolio.

Earnings/amount invested/life of investment in days x 365 days.

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