



JOSEPHINE COUNTY, OREGON

EVA L.I. ARCE, TREASURER

REPORT FOR QUARTER ENDED DECEMBER 31, 2015

Submitted to the Board of County Commissioners

By Eva L.I. Arce

1/29/16

STATEMENT OF THE TREASURER AND INVESTMENT OFFICER:

The reporting requirements of ORS 208.090 and ORS 294.085 are fulfilled by this report and the report issued earlier. The investments of Josephine County are in compliance with the objectives and the requirements of the Investment Policy. At December 31, 2015 all bank accounts are in compliance with ORS 295. (See Attachment B).

SUMMARY OF TREASURER'S REPORT:

Total investments and cash (See page 2 and Attachment A) was \$29,175,989 at December 31, 2015 compared to \$27,238,045 at December 31, 2014. Interest rates on short-term investments at the Local Government Investment Pool (LGIP) is currently at 0.60%, an increase of 0.06% in December 2015. The prior rate of 0.54% had been in place since June 2015. The LGIP interest rate on June 30, 2012 was 0.60%. Quarterly statistics for the Treasury Division are shown in Attachment C.

The Tax Division mailed 45,756 annual Tax statements in October 2015. At December 31, total collections for property tax levies are at 98.96%. Current year collections at December 31, 2015, are at 88.45%, including discounts of 2.51%. Property taxes and delinquent interest collected and turned over to the 16 taxing entities in Josephine County totaled \$55,158,189 for the quarter ended December 31, 2015. Quarterly statistics for the Tax Division are in Attachment C.

RECEIVED BY THE BOARD OF COUNTY COMMISSIONERS:

DATE

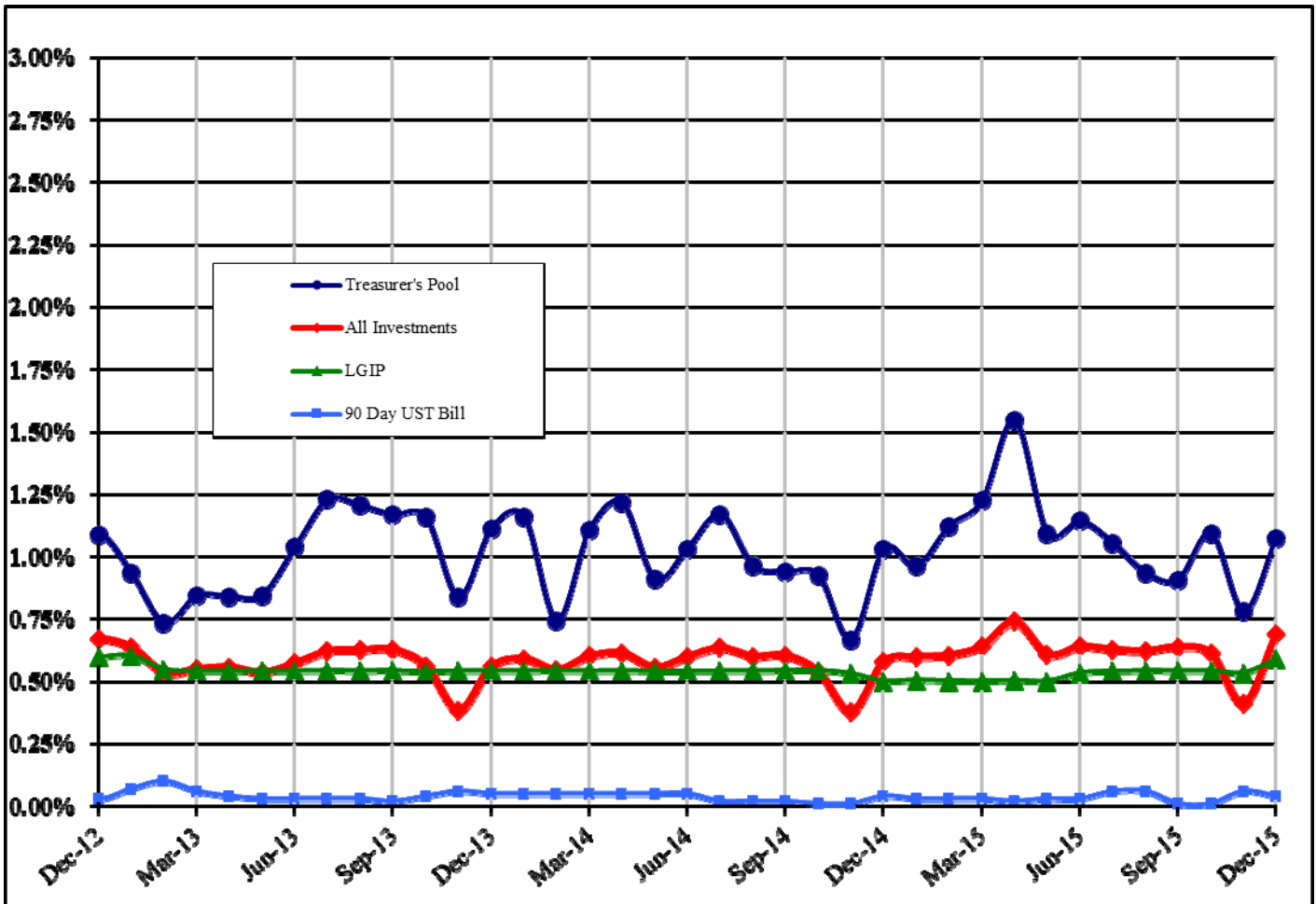
Investments, Cash and Other Accounts

ACCOUNT TYPE	12/31/15 BALANCE	6/30/15 BALANCE	12/31/14 BALANCE
U.S. Govt. guaranteed obligations – Treasurer’s Pool	\$7,722,395.	\$4,724,479.	\$6,138,944.
Commercial Bank Time Certificate of Deposits –Treasurer’s Pool			
Commercial Bank Demand	569,302.	413,610.	1,059,831.
Commercial Municipal Money Market Accounts –Treasurer’s Pool	50,005.	47,082.	151,935.
County Expenditure Outstanding (ZBA Acct)	(485,327.)	(566,593.)	(414,674.)
Total Treasurer's Accounts	7,856,375.	4,618,578.	6,936,086.
Local Government Investment Pool (LGIP) – Treasurer’s	19,260,303.	22,872,165.	17,890,253.
Local Government Investment Pool (LGIP) – Restricted	2,059,311.	991,093.	2,411,706.
Total Local Government Investment Pool.	21,319,614.	23,863,258.	20,301,959.
Total of All Accounts	\$29,175,989.	\$28,481,836.	\$27,238,045.

Treasurer’s Statements

- Commercial bank demand deposit accounts are non-interest bearing. Interest rates on investment accounts are shown in Attachment A. Other bank account information is shown elsewhere in this report.
- All Treasury investments are permitted by the Josephine County Investment Policy, and are within the percentage requirements of the Policy. The Policy has no restrictions on investments in commercial bank demand and commercial money market accounts. The Oregon Short Term Fund Board approved the Policy in June 2007; the Board of Commissioners adopted the Policy in 2007 and re-adopted it each year since.
- ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss. According to the Oregon State Treasurer, ORS 295 creates a shared liability structure for participating bank depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. It is the opinion of the Josephine County Treasurer, and other county treasurers, that the collateralization program essentially guarantees 100% of the balances, in excess of FDIC coverage, of each compliant public depositor. As of December 31, 2015, and as of the date of this report, all county deposits comply with the requirements of the Josephine County Investment Policy and ORS chapters 295 and 294.
- A “third party” custodial agreement for investment safekeeping was completed in June, 2007. As of December 31, 2015, all securities were held by US Bank Institutional Trust & Custody. All investment transactions, except for direct purchase of bank TCDs, are cleared through this safekeeping arrangement.
- On December 31st the Treasurer's investment maturities extend to August 2018. It is difficult to purchase allowable short term securities which are competitive with the Local Government Investment Pool. Details of investments held at December 31, 2015 are shown in Attachment A.
- The Josephine County Investment Policy approved by the Oregon Short Term Fund Board, and re-adopted February 18th, 2015 by the Board of Commissioners, measures performance of the County’s investment portfolio against the performance of the Oregon Local Government Investment Pool and the 90 day Treasury bill rate. The graph shown below compares the performance of the “Treasurer's Pool” with the LGIP and the 90 day US Treasury Bill, along with the returns on all Treasury investments. Historically the LGIP yield is higher than the Treasurer's Pool in a rising interest rate environment and lower when rates are dropping. These yields are calculated and presented using the Bond Equivalent Yield method (i.e. annual percentage return calculated over 365 days vs. 360 days).

Investment Returns Analysis – December 31, 2015



ATTACHMENTS

Attachment A	Investment Analysis
Attachment B	Compliance Report
Attachment C	Quarterly Report of Department Activity by Division
Attachment D	Permitted Investments
Attachment E	History of Property Tax Foreclosures



Eva L. I. Arce, Treasurer, Josephine County, Oregon

December 31, 2015 ORS 208.090 Report

Investments, Cash and Other Accounts

Treasurer's Direct Investments

<u>Bank</u>	<u>Investment Number</u>	<u>Investment Type</u>	<u>CUSIP or Acct. Number</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Book Value</u>	<u>Return Rate</u>	<u>Coupon Rate</u>	<u>Accrued Interest \$</u>	<u>Total Book Value \$</u>	<u>Principal Market Value</u>	<u>Total (ai) Market Value</u>	<u>Over (under) Book Value</u>
USBT	923(1)	U of CA Muni	91412GGQ2	6/12/13	5/15/16	749,239	0.9000%	0.9172%	1,296.24	750,535	750,535	751,832	\$ 1,296
USBT	926(2)	FNMA	31359MEL3	6/9/14	6/1/17	975,637	0.8301%	0.8300%	694.09	976,331	976,331	977,025	\$ 694
USBT	927(3)	FICO	31771KAB3	10/20/14	10/6/17	999,137	1.0100%	1.0100%	884.12	1,000,021	1,000,021	1,000,905	\$ 884
USBT	930(2)	FNMA	3136G07M7	12/15/14	11/27/17	996,240	1.0450%	0.9000%	768.18	997,008	997,008	997,776	\$ 768
USBT	931(2)	FFCB	3133EEKV1	1/22/15	1/22/18	1,000,000	1.0200%	1.0200%	865.53	1,000,866	1,000,866	1,001,731	\$ 866
USBT	932(2)	FFCB	3133EE3P3	7/7/15	7/13/18	1,000,000	1.2000%	1.1030%	770.04	1,000,770	1,000,770	1,001,540	\$ 770
USBT	933(2)	FAMCO	31315PR68	8/20/15	11/24/17	1,003,258	0.9040%	1.0400%	885.36	1,004,144	1,004,144	1,005,029	\$ 885
USBT	934(3)	FICO	31771KAH0	9/11/15	8/3/18	998,883	1.1200%	1.1300%	971.20	999,854	999,854	1,000,826	\$ 971
Total Treasurer's Direct Investments						\$ 7,722,395			7,134.76	\$7,729,530	\$ 4,724,761	\$ 4,729,270	\$ 4,508

Treasurer's General Purpose Investment Portfolio

	<u>Book Value</u>	<u>Return Rate</u>	<u>Month End Rate</u>
Treasurer's Direct Investments (from above)	\$ 7,722,395		
Local Government Investment Pool - Treasurer's Investment	19,260,304	0.59%	0.60%
Washington Federal Bank Checking	50,005	0.05%	0.05%
Total Treasurer's General Purpose Investment Portfolio	27,032,703		

Treasurer's Restricted Investment Accounts

Local Government Investment Pool - OTIA Bridge Projects <i>Restricted</i>	123,655	0.50%	0.60%
Local Government Investment Pool - Unsegregated Taxes	939,853	0.56%	0.60%
Local Government Investment Pool - Adult Jail	995,803	0.58%	0.60%
Total Treasurer's Restricted Investment Accounts	2,059,311		

Treasurer's Other Cash and Investments

US Bank Treasurer's Checking	566,901	N/A
US Bank District Attorney's Witness Checking	2,401	N/A
US Bank Zero Basis Account-A/P Disbursement Account	(477,594)	N/A
US Bank Zero Basis Account-P/R Disbursement Account	(7,733)	
Total Treasurer's Other Cash and Investments	83,975	

Total Investments and Cash

\$ 29,175,989

Other Cash in Treasurer's Change Funds

\$ 2,100

NOTES:

- | | | |
|-----|---------------------|-----------------------------|
| (1) | University of CA | Interest paid semi annually |
| (2) | Federal Loan Agency | Interest paid semi annually |
| (3) | FICO Strip | Interest paid at maturity |

Josephine County Treasurer

Compliance Report December 31, 2015

Percentages Allowed by Account Type

<u>Permitted Account Types</u>	<u>Account Balance</u>	<u>Actual Percent</u>	<u>Allowed Percent</u>
A - Investments in U. S. Govt. Obligations	\$ -	0.0%	100%
B - Investments in U.S. Govt. guaranteed obligations	6,952,869	23.9%	100%/25%
C - Commercial Bank Time Certificates	-	0.0%	50%/25%
C - Commercial Bank Municipal Money Market Account	50,005	0.2%	Not Limited
C - Commercial Bank Restricted Bond Account	-	0.0%	Not Limited
F - State Local Government Investment Pool (LGIP)	21,319,615	73.3%	100%
H - State & Local Government Securities	769,525	2.6%	25%/25%
<i>* Total % and % allowed in one Agency or Financial Institution</i>			
Total Portfolio - Interest Bearing Accounts and Instruments	\$ 29,092,014	100.0%	
C - Commercial Bank Demand	\$ 569,302		Not Limited
C - Commercial Bank Zero Basis Accounts	(485,327)		Not Limited
Total Cash and Other Bank Accounts	\$ 83,975		
Total of All Accounts	\$ 29,175,989		

<u>TCD Percentages Allowed by Institution</u>	<u>Time Certificate Balance</u>	<u>Percent of Portfolio</u>	<u>Allowed Percentage</u>
	\$ -	0.0%	25%
	-	0.0%	25%
Total of TCDs in All Institutions	\$ -	0.0%	50.0%

<u>Portfolio Maturity Dates</u>	<u>Amount</u>	<u>Percent of Portfolio</u>	<u>Minimum/Maximum Allowed Percentage</u>
30 Days and Less	\$ 21,369,619	73.5%	10% Minimum
90 Days and Less	21,369,619	73.5%	25% Minimum
366 Days and Less	22,118,859	76.0%	100% None
12 Months to 18 Months	-	0.0%	25% Maximum
18 Months to 36 Months	6,973,156	24.0%	25% Maximum
Matched Long Term Maturities	-	0.0%	Matched
Total Portfolio	\$ 29,092,015	100.0%	

PUBLIC FUNDS COLLATERALIZATION PROGRAM (Effective July 1, 2008)

ORS Chapter 295 governs the collateralization of Oregon public funds and provides the statutory requirements for the Public Funds Collateralization Program. Bank depositories are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank loss.

Banks are required to report quarterly to the Oregon State Treasury, providing quarter-end public funds balances in excess of the FDIC limits, net worth, and FDIC capitalization information.

Public officials are required to verify that deposit accounts in excess of deposit insurance limits are only maintained at financial institutions included on the list of qualified depositories found on the Oregon State Treasurer's web site at:

<http://www.ost.state.or.us/divisions/finance/collateral/qualifieddepositoriespublicfunds.htm>

On December 31, 2015, and at the date of this report, all reporting requirements of ORS 295 are satisfied.

Josephine County Treasurer/Tax Collector

Report of Activity for the Quarter Ending December 31, 2015

<i>Line</i>		OCT-DEC	FISCAL YEAR
<i>No.</i>		2015	2015-16
1	TREASURY DIVISION ACTIVITY		
2	# Receipts Issued	770	1,535
3	# Revenue Receipts (JV's) (ACH's)	1,279	2,421
4	# Checks/Wires	555	726
7	\$ Average Portfolio	\$35,444,182	\$31,330,821
8	\$ Interest Earnings Received	\$46,860	\$74,570
9	\$ Interest Earnings Accrued	\$53,150	\$96,309
10	\$ Fees Generated - Treas Investment Fee	\$20,748	\$37,646
11	# Checks Processed (cleared)	2,055	4,059
12	# Tax Distributions	6	9
13	\$ Tax & Delinq. Interest Distributed	\$55,158,189	\$59,051,289
			0
14	TAX DIVISION ACTIVITY		0
15	# Statements Mailed	45,786	45,786
16	# Delinquent Notices Mailed	690	690
17	# Tax Warrants Issued on MH & BPP	0	0
18	# Liens Satisfied MH & BPP	41	95
19	# Notices of Foreclosure Cert & 1st Class	0	974
20	# Properties Published as Foreclosed	0	46
21	# Properties Redeemed	99	124
22	# Properties Deeded	0	5
23	# Tax Refunds Processed/Issued	360	396
24	\$ Amount of Tax Refunds Issued	\$231,348	\$238,099
25	# of Tax Journal Vouchers	352	359
26	# of Tax Accounts Re-billed	53	53
27	# Destroyed Property Applications	0	0
28	# Active Bankruptcies # of Properties	118	118
29	# Prepay Receipts Issued	0	39
31	# Register Receipts Issued	18,820	20,788
32	# e-Payments Processed	992	1,127
33	# Lockbox Payments Processed	13,685	13,685
34	# Address Changes	1,329	1,437
35	\$ Fees Generated	\$31,201	\$38,318
36	% Current Taxes Collected (\$)	88.450%	88.450%
37	\$ Current Year Taxes Uncollected	\$7,425,061	\$7,425,061
38	Number of Current Accounts Uncollected	7,892	7,892
39	% 1-3 Years Delinquent (\$)	1.857%	1.857%
40	\$ 1-3 Years Delinquent Uncollected	\$3,371,949	\$3,371,949
41	Number of accounts 1-3 years Uncollected	3,864	3,864
42	% 4 & More Years Delinquent (\$)	0.090%	0.090%
43	\$ 4 & More Years Delinquent Uncollected	\$787,865	787,865
44	Number of accounts 4 & More Years Delq Uncollected	552	552
	(% Collected Includes Discounts Given)		

PERMITTED INVESTMENTS UNDER THE JOSEPHINE COUNTY INVESTMENT POLICY

Type **A.** Legally issued general obligations of the United States:

<u>Code</u>	<u>Description</u>
USTRS	U.S. Treasury Bills, Notes, Bonds,
STRIPS	U.S. Treasury Strips.

Type **B.** US Government Agency Securities and Instruments of Government-Sponsored Enterprises:

<u>Code</u>	<u>Description</u>
FFCB	Federal Farm Credit Banks,
FHLB	Federal Home Loan Banks,
FHLMC	Federal Home Loan Mortgage Corp.,
FICB	Federal Intermediate Credit Bank,
FICO	Financing Corporation,
FLB	Federal Land Bank,
FNMA	Federal National Mortgage Assoc.,
SLMA	Student Loan Marketing Assoc.,
TVA	Tennessee Valley Authority.

Type **C.** Deposits in Commercial Banks which maintain a head office or branch in the State of Oregon in the capacity of a bank. As required by ORS Chapter 295, the County Treasurer will be responsible to ensure that a Certificate of Collateral Participation has been issued by the institution to collateralize outstanding demand deposits and Time Certificates of Deposits:

<u>Code</u>	<u>Description</u>
TCD	Time Certificate of Deposits,
CDARS	TCDs issued through the Certificate of Deposit Registry Service as allowed by ORS 295.004
DDA	Demand Deposit Accounts,
MMA	Municipal Money Market Accounts.

Type **D.** Deposits in Mutual Savings Banks, Savings and Loan Associations and Federal Credit Unions which maintain a head office or branch in the State of Oregon in the capacity of a Mutual Savings Bank, Savings and Loan Association or Credit Union. The County Treasurer will be responsible to ensure that a Certificate of Collateral Participation has been issued by the institution to collateralize outstanding Certificates of Deposits:

<u>Code</u>	<u>Description</u>
CD	Certificate of Deposit.

Type **E.** Repurchase Agreements (Repo's): Master Repurchase agreements are required with any bank dealing in Repurchase Agreements.

<u>Code</u>	<u>Description</u>
REPO	Repurchase Agreements

Type **F.** Local Government Investment Pool (LGIP): To the limit of ORS 294.810, \$43,889,508 Effective 1/1/2011, not limited for funds invested temporarily on behalf of another government unit.

Type **G.** Bankers Acceptances:

<u>Code</u>	<u>Description</u>
BA	Bankers Acceptances

Type **H.** Municipal Securities :

<u>Code</u>	<u>Description</u>
MUNI	State and Local Government Securities

Attachment D – Permitted Investments

Josephine County Treasurer and Tax Collector History of Property Tax Foreclosures Through December 31, 2015

Year of Foreclosure	Year Delinquent	Number of Properties Published	Date of Foreclosure Judgment	Number of Properties With Judgment	Date Foreclosed Property Deeded	Number of Properties Deeded	Number of Properties Owner Occupied
1987	1984/85	188	11/4/1988	52	4/16/1991	10	?
1989	1985/86	130	11/24/1989	51	4/13/1992	13	?
1990	1986/87	133	10/25/1990	54	7/27/1994	8	?
1991	1987/88	125	12/13/1991	51	8/6/1994	9	?
1995	1988/89	110	10/8/1992	54	4/24/1995	6	?
1993	1989/90	133	10/22/1993	35	6/6/1996	8	?
1994	1990/91	100	10/21/1994	38	4/10/1997	5	0
1995	1991/92	97	10/18/1995	38	4/28/1998	6	0
1996	1992/93	94	10/8/1996	45	5/10/1999	11	1
1997	1993/94	104	10/8/1997	43	6/9/2000	4	0
1998	1994-95	111	10/5/1998	40	10/15/2001	6	1
1999	1995-96	73	10/18/1999	32	6/19/2002	2	0
2000	1996-97	57	10/18/2000	28	5/14/2003	2	0
2001	1997-98	38	10/5/2001	23	5/11/2004	3	0
2002	1998-99	33	10/9/2002	23	9/5/2005	2	0
2003	1999-00	20	10/9/2003	11	7/28/2006	2	0
2004	2000-01	33	10/6/2004	14	12/21/2006	1	0
2005	2001-02	35	10/28/2005	13	3/18/2008	1	0
2006	2002-03	21	10/17/2006	10	1/27/2009	2	0
2007	2003-04	18	10/10/2007	7	11/30/2009	0	0
2008	2004-05	21	10/6/2008	10	2/22/2011	2	0
2009	2005-06	33	10/14/2009	16	3/26/2012	1	0
2010	2006-07	63	10/12/2010	37	4/22/2013	3	0
2011	2007-08	54	10/11/2011	29	5/9/2014	5	0
2012	2008-09	71	10/9/2012	45	8/4/2015	5	0
2013	2009-10	49	10/29/2013	29	2016		
2014	2010-11	276	10/15/2014	171	2017		
2015	2011-12	39	10/22/2015	28	2018		