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DATE: August 8, 2016

TO: All Treasury Depositing Entities

FROM: Rebecca Valenzuela, CPA, CGMA - Director of Finance RV

Subject: June 30, 2016 Kings County's Government Accounting Standard 31 (GASB 31) Report

This letter is a recap of the unaudited GASB 31 reports produced by our Sympro Portfolio Management system. The full reports are available from the Treasury. The investments were Fair Market Valued by our custodian, Union Bank of California, as of June 30, 2016.

The reports indicate a Reported Fair Value, which is the calculated market price at day's end, of $331,090,925. The Portfolio Book Value, which is the carrying cost of the investments, was $330,297,611. To calculate the GASB-31 fair value factor, divide the Fair Market Value by the Portfolio Book Value, which equals 1.00240182. This is the fair value of each participating dollar in the pool. As an example: if an agency has an account balance of $1,000,000 on June 30th, then the agency's fair value participation would be $1,002,401.82 (1,000,000 * 1.00240182).

Now having gone through the fair value calculation, what does this mean for treasury depositors and pool participants?

First, no gain has occurred to your funds deposited into the county treasury. Your cash value is still at 100%. For an actual gain to occur, we would have had to sell the entire investment portfolio on June 30th at the quoted market prices. Gains and losses are only paper entries. The Fair Market value will fluctuate with interest rate changes.

Second, your external auditors must make a determination on the significance of the information for your financial statements. Give a copy of this report to your auditor.

Third, treasury depositors are reminded not to use the fair value fund balance for budget purposes, cash flow forecasting, or anticipated spending.

If you have any questions, please feel free to contact Tammy Phelps, Kings County Assistant Director of Finance - Treasury at (559)852-2462.

COUNTY OF KINGS
GASB 31 Factor Calculations
FY 2015-2016

Kings County Investment Pool

Sympro Calculated Reported Value		$298,455,593
Cash Balances 6/30/16		32,635,332
Total Treasury Reported Value (TTRV)		$331,090,925
Sympro Book Value		$297,662,279
Cash Balances 6/30/16		32,635,332
Total Treasury Book Value (TTBV)		$330,297,611
Total Treasury Reported Value (TTRV)		$331,090,925
Total Treasury Book Value (TTBV)		330,297,611
TTRV minus TTBV = gain/(loss)		$793,314
Gain/(loss) divided TTBV	793,314 / 330,297,611	0.00240182
GASB 31 Pool Factor	(+ l.0 + .00240182)	1.00240182