

**SUBMITTAL TO THE BOARD OF DIRECTORS  
RIVERSIDE COURT FINANCING CORPORATION  
STATE OF CALIFORNIA**

822A



**FROM:** Executive office

**SUBMITTAL DATE:**  
November 08, 2011

**SUBJECT:** Annual Report on Investment Portfolio (Riverside Court Financing Corporation)

**RECOMMENDED MOTION:** Receive and File the Annual Investment Report.

**BACKGROUND:** Board Policy B-21 requires that all funds held in trust outside the County Treasury have an annual report on its investments prepared for review by the Investment Oversight Committee and the fund's governing board. In accordance with that policy, the attached Annual Investment Report was reviewed by the Investment Oversight Committee on August 4, 2011, and is now being presented for the governing board's review.

*Lani Sioson*  
Lani Sioson, Management Analyst

**FINANCIAL  
DATA**

Current F.Y. Total Cost: \$ N/A  
Current F.Y. Net County Cost: \$ N/A  
Annual Net County Cost: \$ N/A

In Current Year Budget: N/A  
Budget Adjustment: N/A  
For Fiscal Year: N/A

**SOURCE OF FUNDS:** N/A

Positions To Be Deleted Per A-30 ☐

Requires 4/5 Vote ☐

**C.E.O. RECOMMENDATION:**

APPROVE

BY:

*Christopher M. Hans*

**County Executive Office Signature** Christopher M. Hans

Dep't Recomm.: ☐ Policy

☒ Consent

Dep't Recomm.: ☐ Policy

Per Exec. Ofc.: ☐ Policy

☒ Consent

Per Exec. Ofc.: ☐ Policy

Prev. Agn. Ref.: **ITEMS FILED**

District: A11

Agenda Number:

WITH THE CLERK OF THE BOARD

5.1

**COUNTY OF RIVERSIDE COURT FINANCING CORPORATION (RCFC)**  
**REPORT ON INVESTMENT PORTFOLIO**  
**June 30, 2011**

***PURPOSE:***

The following report will be provided annually by the Riverside County Executive Office to the members of the Riverside Court Financing Corporation, Board of Supervisors, County Executive Officer, County Auditor-Controller, and the County Investment Oversight Committee; and, as requested, to any member of the public interested in the information.

The report will consider two essential areas involving County of Riverside Court Financing Corporation's management of the portfolio; namely (1) the preservation of principal in the funds invested, the cost (i.e. book value) vs. the current market value of the securities in the portfolio, and (2) the liquidity position of the portfolio as of the report date.

***PORTFOLIO:***

The following is the composition of the portfolio ranked in accordance with the perceived market risk of the securities within the portfolio. Also displayed is the book and current market value of the securities in the portfolio reported by County of Riverside Court Financing Corporation's fiscal agent (i.e., BNY) as of June 30, 2011.

<b>Risk</b>	<b>Type</b>	<b>Cost</b>	<b>Market</b>	<b>%</b>
1.0	Cash	\$0.00	\$0.00	0.00%
1.0	U.S. Treasury Bills	\$0.00	\$0.00	0.00%
1.0	U.S. Treasury Notes	\$0.00	\$0.00	0.00%
1.1	Federal Agency Securities (FNMA & FHLB)	\$0.00	\$0.00	0.00%
1.2	Investment Agreements (Gov't Coll)	\$0.00	\$0.00	0.00%
1.2	Repurchase Agreements (Gov't Coll)	\$0.00	\$0.00	0.00%
1.3	Taxable Money Market Fund	\$6,700,165.64	\$6,700,165.64	100.00%
1.3	Tax-Exempt Money Market Fund	\$0.00	\$0.00	0.00%
1.3	Commercial Paper (A-1/P-1)	\$0.00	\$0.00	0.00%
1.3	Bankers Acceptances	\$0.00	\$0.00	0.00%
1.4	State, local govt. bonds, notes, etc.	\$0.00	\$0.00	0.00%
2.0	Reverse Repurchase Agreements	\$0.00	\$0.00	0.00%
	Totals	\$6,700,165.64	\$6,700,165.64	100.00%
	Paper (Loss)/Gain		\$0.00	0.00%

**COUNTY OF RIVERSIDE COURT FINANCING CORPORATION (RCFC)**  
**REPORT ON INVESTMENT PORTFOLIO**  
**June 30, 2011**

Generally, the level of risk takes into account two major components; the default or credit risk and the market risk associates with the probability that the security will be affected by market changes in short-term interest rates. Risk ranking have been assigned with 1.0 being the lowest level of risk and 2.0 being the highest.

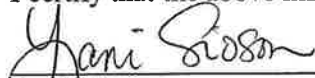
- 1.0 U.S. and Federal Agency Securities directly backed and fully guaranteed by the United States Treasury are considered the safest.
- 1.1 Next in order of safety are those Federal Agency securities that have the ability to borrow from the United States Treasury.
- 1.2 The third category are those securities that have some form of government collateral backing (i.e. Investment Agreements, Repurchase Agreements and federally chartered agencies (i.e. Federal Farm Credit).
- 1.3 The fourth category evaluates the credit worthiness, capitalization and the time duration of the investment. Money markets, both taxable and tax-exempt, fall under this category.
- 1.4 The fifth category constitutes those that have state and local government collateral backing.
- 2.0 The sixth category reflects the risks associates with the Executive Office having loaned securities to a brokerage firm in meeting temporary cash flow needs by way of Reverse-Repurchase Agreements and the fact that the County could be subject to margin calls should the collateral have a reduced market value. Margin calls can affect the liquidity position of the portfolio in meeting current expenditure requirements.

***LIQUIDITY:***

As of June 30, 2011 the liquidity position of the portfolio was:

<b>Maturities less than 1 Year</b>	<b>\$6,700,165.64</b>	<b>100.00%</b>
Maturities 1 to 2 Years	\$0.00	0.00%
Maturities 2 to 3 Years	\$00.00	0.00%
Maturities 3 to 4 Years	\$0.00	0.00%
Maturities 4 to 5 Years	\$0.00	0.00%
Maturities Greater than 5 Years	\$0.00	0.00%
<b>Weighted Average Maturity (1 Day) Total:</b>	<b>\$6,700,165.64</b>	<b>100.00%</b>

I certify that the above information is true and correct as of the date of this report.



Lani Sioson  
Management Analyst

**County of Riverside Court Financing Corporation**  
**Statement of Investments as of: June 30, 2011**  
**Issuing Authority: County of Riverside Court Financing Corporation**  
**Investment Portfolio: Bankruptcy Court Acquisition Project**

ACCOUNT NAME	PAR VALUE # of SHARES	SECURITY PURCHASED	MATURITY DATE	COUPON RATE	YIELD TO MATURITY	BOOK VALUE	MARKET VALUE	RISK RATING	RISK RATING
Acct # 364164 Certificate Fund	\$3.40	Short Term Inv Trust Trsy	6/30/2011	variable	0.00%	\$3.40	\$3.40	1.3	AAAm/Aaa
<b>Sub-Total</b>	<b>\$3.40</b>					<b>\$3.40</b>	<b>\$3.40</b>		
Acct # 364165 Base Rent	\$8,206.88	Short Term Inv Trust Trsy	6/30/2011	variable	0.01%	\$8,206.88	\$8,206.88	1.3	AAAm/Aaa
<b>Sub-Total</b>	<b>\$8,206.88</b>					<b>\$8,206.88</b>	<b>\$8,206.88</b>		
Acct # 364166 GSA Pmt Account	\$2,129,758.44	Short Term Inv Trust Trsy	6/30/2011	variable	0.01%	\$2,129,758.44	\$2,129,758.44	1.3	AAAm/Aaa
<b>Sub-Total</b>	<b>\$2,129,758.44</b>					<b>\$2,129,758.44</b>	<b>\$2,129,758.44</b>		
Acct # 364168 Excess GSA Pmt Account	\$2,403,514.27	Short Term Inv Trust Trsy	6/30/2011	variable	0.01%	\$2,403,514.27	\$2,403,514.27	1.3	AAAm/Aaa
<b>Sub-Total</b>	<b>\$2,403,514.27</b>					<b>\$2,403,514.27</b>	<b>\$2,403,514.27</b>		
Acct # 364177 Interest Account	\$945,989.10	Short Term Inv Trust Trsy	6/30/2011	variable	0.02%	\$945,989.10	\$945,989.10	1.3	AAAm/Aaa
<b>Sub-Total</b>	<b>\$945,989.10</b>					<b>\$945,989.10</b>	<b>\$945,989.10</b>		
Acct # 364178 Principal Account	\$1,212,693.55	Short Term Inv Trust Trsy	6/30/2011	variable	0.02%	\$1,212,693.55	\$1,212,693.55	1.3	AAAm/Aaa
<b>Sub-Total</b>	<b>\$1,212,693.55</b>					<b>\$1,212,693.55</b>	<b>\$1,212,693.55</b>		
<b>Grand Total</b>	<b>\$6,700,165.64</b>					<b>\$6,700,165.64</b>	<b>\$6,700,165.64</b>		