

**SUBMITTAL TO THE FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT BOARD  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

303 B



**FROM:** General Manager-Chief Engineer

**SUBMITTAL DATE:**  
January 29, 2013

**SUBJECT:** Quarterly Disclosure Report on Investment Portfolio  
(October, November and December 2012)

**RECOMMENDED MOTION:**

That the Board of Supervisors receives the attached *Quarterly Disclosure Report* on Investment Portfolio as of December 2012 and file with the Clerk of the Board.

**BACKGROUND:**

On September 12, 1995, the Riverside County Board of Supervisors approved an Investment Policy for all funds held in trust outside the County Treasury including funds managed by a fiscal agent on behalf of the Riverside County Flood Control and Water Conservation District.

Continued on Page 2.

SJ:mc

**WARREN D. WILLIAMS**  
General Manager-Chief Engineer

|                           |                                    |     |                                |     |
|---------------------------|------------------------------------|-----|--------------------------------|-----|
| <b>FINANCIAL<br/>DATA</b> | <b>Current F.Y. District Cost:</b> | N/A | <b>In Current Year Budget:</b> | N/A |
|                           | <b>Current F.Y. County Cost:</b>   | N/A | <b>Budget Adjustment:</b>      | N/A |
|                           | <b>Annual Net District Cost:</b>   | N/A | <b>For Fiscal Year:</b>        | N/A |

**SOURCE OF FUNDS:** N/A

|   |                          |
|---|--------------------------|
| <b>Positions To Be Deleted Per A-30</b> | <input type="checkbox"/> |
| <b>Requires 4/5 Vote</b>                | <input type="checkbox"/> |

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

APPROVE

**County Executive Office Signature**

BY:

Steven C. Horn, MPA

Dep't Recomm.: ☐ Policy ☐ Policy  
Per Exec. Ofc.: ☐ Consent ☐ Consent

Prev. Agn. Ref.:

District: 1

Agenda Number:

11-1

**FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD SUBMITTAL  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

**SUBJECT:** Quarterly Disclosure Report on Investment Portfolio  
(October, November and December 2012)

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**BACKGROUND: Continued**

On March 18, 1996, the Board approved Policy B-19, *Land Secured Investment Policy* which, in accordance with Government Code Section 53646, provided for quarterly disclosure reports on the Investment Portfolio to be brought before the Board in public session and to be filed with the Clerk of the Board.

SJ:mc

## Riverside County Flood Control and Water Conservation District Disclosure Report on Investment Portfolio

Purpose: the Riverside County Flood Control District will provide the following report monthly to members of its Board of Supervisors, County Executive Officer and the County Investment Oversight Committee. The report is placed on the District's Board Agenda quarterly and is available to any member of the public interested in the information.

The report will consider three essential areas involving District 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, (2) the liquidity position of the portfolio, and (3) the current yield on 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 reported by the District's representative fiscal agent (US Bank Corporate Trust) as of December 31, 2012.

| Risk | Type                 | Cost           | Market          | %       |
|------|----------------------|----------------|-----------------|---------|
| 1.0  | US Treasury Bond     | \$ 915,092.86  | \$ 1,103,799.82 | 66.62%  |
| 1.2  | US Bank Term CD      | \$ 425,500.00  | \$ 425,500.00   | 25.68%  |
| 1.2  | US Bank Money Market | \$ 127,484.11  | \$ 127,484.11   | 7.70%   |
|      | Totals               | \$1,468,076.97 | \$ 1,656,783.93 | 100.00% |
|      | Paper (Loss)/Gain*   |                | \$ 188,706.96   |         |

- Fiscal Year to Date Interest Earnings is \$ 8,818.71.

### Footnotes:


Generally, the level of risk takes into account two major components; the default or credit risk and the market risk associated with the probability that the security will be affected by market changes in short-term interest rates. Risk ranking has 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 by the United States Treasury are considered the safest.
- 1.1 Next in order of safety are those Federal Agency securities that have an implied guarantee of the United States Treasury.
- 1.2 The third category is those securities that have some form of government collateral backing (i.e. Investment Agreements, Repurchase Agreements and Money Market Funds).
- 1.3 The fourth category evaluates the credit worthiness, capitalization and the time duration of the investment.
- 1.4 The fifth category constitutes those that have state and local government collateral backing.

### As of December 31, 2012 the liquidity position of the portfolio was:

|                             |                |        |
|-----------------------------|----------------|--------|
| Maturities less than 1 Year | \$ 127,484.11  | 7.70%  |
| Maturities more than 1 Year | \$1,529,299.82 | 92.30% |

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

 Jan. 09, 2013  
Jeanine J. Rey, Finance Director

**Riverside County Flood Control and Water Conservation District**  
**Statement of Investments as of 12/31/2012**  
**Elsinore Valley Benefit Assessment District, Zone 3**

| ACCOUNT NAME             | PAR VALUE # OF SHARES | SECURITY PURCHASED               | SETTLEMENT DATE | MATURITY DATE | COUPON RATE | YIELD TO MATURITY | INVESTMENT VALUE      | MARKET VALUE          | RISK LEVEL | PRICE/ COMMENTS                          |
|--------------------------|-----------------------|----------------------------------|-----------------|---------------|-------------|-------------------|-----------------------|-----------------------|------------|--|
| 95417380                 | 217,000.00            | Certificate of Deposit           |                 |               |             | 2.140%            | \$217,000.00          | \$217,000.00          | 1.2        | US Bank Term CD Cash Equivalents         |
| 95417380                 | 208,500.00            | Certificate of Deposit           |                 |               |             | 2.770%            | \$208,500.00          | \$208,500.00          | 1.2        | US Bank Term CD Cash Equivalents         |
| 95417380                 | 102,856.45            | Money Market                     |                 |               |             | 0.040%            | \$102,856.45          | \$102,856.45          | 1.2        | US Bank Money Market Cash Equivalents    |
| 95417380                 | 232,000.00            | US Treasury Bond Generic Int Pmt |                 |               |             | 0.000%            | \$201,545.36          | \$229,856.32          | 1.0        | S&P - AA+ Rated Backed By US Treasury Bd |
| 95417380                 | 312,000.00            | US Treasury Bond Generic Int Pmt |                 |               |             | 0.000%            | \$256,354.80          | \$306,440.16          | 1.0        | S&P - AA+ Rated Backed By US Treasury Bd |
| <b>95417380 Subtotal</b> |                       |                                  |                 |               |             |                   | <b>\$986,256.61</b>   | <b>\$1,064,652.93</b> |            |  |
| 95417386                 | 7.30                  | US Bank Money Market             |                 |               |             | 0.000%            | \$7.30                | \$7.30                | 1.2        | US Bank Money Market Cash Equivalents    |
| 95417386                 | 71,000.00             | US Treasury Bond                 |                 |               |             | 0.000%            | \$58,337.15           | \$69,734.78           | 1.0        | S&P - AA+ Rated Generic Int Payment      |
| 95417386                 | 19,000.00             | US Treasury Bond                 |                 |               |             | 2.920%            | \$15,156.30           | \$18,534.31           | 1.0        | S&P - AA+ Rated Generic Int Payment      |
| 95417386                 | 495,000.00            | US Treasury Bond                 |                 |               |             | 0.000%            | \$383,699.25          | \$479,234.25          | 1.0        | S&P - AA+ Rated Stripped Interest        |
| <b>95417386 Subtotal</b> |                       |                                  |                 |               |             |                   | <b>\$457,200.00</b>   | <b>\$567,510.64</b>   |            |  |
| 95417382                 | 0.00                  | US Bank Money Market             |                 |               |             | 0.000%            | \$0.00                | \$0.00                | 1.2        | US Bank Money Market Cash Equivalents    |
| <b>95417382 Subtotal</b> |                       |                                  |                 |               |             |                   | <b>\$0.00</b>         | <b>\$0.00</b>         |            |  |
| 95417383                 | 0.00                  | US Bank Money Market             |                 |               |             | 0.000%            | \$0.00                | \$0.00                | 1.2        | US Bank Money Market Cash Equivalents    |
| <b>95417383 Subtotal</b> |                       |                                  |                 |               |             |                   | <b>\$0.00</b>         | <b>\$0.00</b>         |            |  |
| 95417381                 | 12,804.96             | US Bank Money Market             |                 |               |             | 0.040%            | \$12,804.96           | \$12,804.96           | 1.2        | US Bank Money Market Cash Equivalents    |
| <b>95417381 Subtotal</b> |                       |                                  |                 |               |             |                   | <b>\$12,804.96</b>    | <b>\$12,804.96</b>    |            |  |
| 95417387                 | 11,815.40             | US Bank Money Market             |                 |               |             | 0.040%            | \$11,815.40           | \$11,815.40           | 1.2        | US Bank Money Market Cash Equivalents    |
| <b>95417387 Subtotal</b> |                       |                                  |                 |               |             |                   | <b>\$11,815.40</b>    | <b>\$11,815.40</b>    |            |  |
| <b>Grand Total</b>       |                       |                                  |                 |               |             |                   | <b>\$1,468,076.97</b> | <b>\$1,656,783.93</b> |            |  |

**Riverside County Flood Control and Water Conservation District**  
**Investment Portfolio Maturity Summary**  
December 31, 2012

| MONTH              | MATURITY | ISSUE   | ACCOUNT                     | PAR                   | SECURITY                          | TRUSTEE  |
|--------------------|----------|---|-----------------------------|-----------------------|-----------------------------------|----------|
| 8/30/2013          |          | Elsinore Valley Benefit Assessment District, Zone 3 | Assessment Fund             | \$217,000.00          | US Bank Term CD                   | U S Bank |
| 9/2/2014           |          | Elsinore Valley Benefit Assessment District, Zone 3 | Assessment Fund             | \$208,500.00          | US Bank Term CD                   | U S Bank |
| 8/15/2015          |          | Elsinore Valley Benefit Assessment District, Zone 3 | Assessment Fund             | \$229,856.32          | US Treasury Bond                  | U S Bank |
| 8/15/2016          |          | Elsinore Valley Benefit Assessment District, Zone 3 | Assessment Fund             | \$306,440.16          | US Treasury Bond                  | U S Bank |
| Less Than One Year |          | Elsinore Valley Benefit Assessment District, Zone 3 | Assessment Fund             | \$102,856.45          | US Bank Money Market              | U S Bank |
| Less Than One Year |          | Elsinore Valley Benefit Assessment District, Zone 3 | Reserve Fund                | \$7.30                | US Bank Money Market              | U S Bank |
| 8/15/2017          |          | Elsinore Valley Benefit Assessment District, Zone 3 | Reserve Fund                | \$479,234.25          | US Treasury Bond Stripped Int Pmt | U S Bank |
| 8/15/2016          |          | Elsinore Valley Benefit Assessment District, Zone 3 | Reserve Fund                | \$69,734.78           | US Treasury Bond                  | U S Bank |
| 2/15/2017          |          | Elsinore Valley Benefit Assessment District, Zone 3 | Reserve Fund                | \$18,534.31           | US Treasury Bond                  | U S Bank |
| Less Than One Year |          | Elsinore Valley Benefit Assessment District, Zone 3 | Administrative Expense Fund | \$12,804.96           | US Bank Money Market              | U S Bank |
| Less Than One Year |          | Elsinore Valley Benefit Assessment District, Zone 3 | Earnings Fund               | \$11,815.40           | US Bank Money Market              | U S Bank |
| Less Than One Year |          | Elsinore Valley Benefit Assessment District, Zone 3 | Interest Fund               | \$0.00                | US Bank Money Market              | U S Bank |
| Less Than One Year |          | Elsinore Valley Benefit Assessment District, Zone 3 | Principal Fund              | \$0.00                | US Bank Money Market              | U S Bank |
| <b>Total</b>       |          |   |                             | <b>\$1,656,783.93</b> |                                   |          |