

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

449
A



FROM: Executive office

SUBMITTAL DATE:
November 06, 2012

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 July 26, 2012, and is now being presented for the governing board's review.

Departmental Concurrence

Lani Sioson, Senior Management Analyst

| | | | | |
|-----------------------|-------------------------------|--------|-------------------------|-----|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ N/A | In Current Year Budget: | N/A |
| | Current F.Y. Net County Cost: | \$ N/A | Budget Adjustment: | N/A |
| | Annual Net County Cost: | \$ N/A | For Fiscal Year: | N/A |

| | | |
|-----------------------------|---|--------------------------|
| SOURCE OF FUNDS: N/A | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION: Receive and File.

APPROVE

BY:
Ivan M. Chand 10/29/2012

County Executive Office Signature

- Policy
- Policy
- Consent
- Consent

MINUTES OF THE BOARD OF DIRECTORS OF THE PUBLIC FINANCING AUTHORITY

On motion of Director Stone, seconded by Director Tavaglione and duly carried by unanimous vote, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Buster, Tavaglione, Stone, Benoit and Ashley
Nays: None
Absent: None
Date: November 6, 2012
xc: Public Finance Authority

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Dept's Recomm.:
Per Exec. Ofc.:

5.1

COUNTY OF RIVERSIDE COURT FINANCING CORPORATION (RCFC)
REPORT ON INVESTMENT PORTFOLIO
June 30, 2012

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, 2012

| Risk | Type | Cost | Market | % |
|------|---|----------------|----------------|---------|
| 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 | \$6,712,909.27 | \$6,712,909.27 | 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 | \$6,712,909.27 | \$6,712,909.27 | 100.00% |
| | Paper (Loss)/Gain | | \$0.00 | 0.00% |

COUNTY OF RIVERSIDE COURT FINANCING CORPORATION (RCFC)
REPORT ON INVESTMENT PORTFOLIO
June 30, 2012

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.

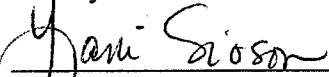
- 1.0 U.S. and Federal Agency Securities directly backed and fully guaranteed by the United States Treasury are considered the safest.
- 1.1 Next in order of safety are those Federal Agency securities that have the ability to borrow from the United States Treasury.
- 1.2 The third category are those 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, 2012 the liquidity position of the portfolio was:

| | | |
|---|-----------------------|----------------|
| Maturities less than 1 Year | \$6,712,909.27 | 100.00% |
| 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% |
| Weighted Average Maturity (1 Day) Total: | \$6,712,909.27 | 100.00% |

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, 2012

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 | 6/30/2012 | variable | 0.00% | \$3.40 | \$3.40 | 1.3 | AAA/Aaa |
| Subtotal | | | | | | | | | |
| Acct # 364165 Base Rent | \$8,208.06 | Short Term Inv Trust Trsy | 6/30/2012 | variable | 0.01% | \$8,208.06 | \$8,208.06 | 1.3 | AAA/Aaa |
| Subtotal | | | | | | | | | |
| Acct # 364166 GSA Pmt Account | \$2,778,005.71 | Short Term Inv Trust Trsy | 6/30/2012 | variable | 0.01% | \$2,778,005.71 | \$2,778,005.71 | 1.3 | AAA/Aaa |
| Subtotal | | | | | | | | | |
| Acct # 364168 Excess GSA Pmt Account | \$1,743,807.06 | Short Term Inv Trust Trsy | 6/30/2012 | variable | 0.01% | \$1,743,807.06 | \$1,743,807.06 | 1.3 | AAA/Aaa |
| Subtotal | | | | | | | | | |
| Acct # 364177 Interest Account | \$1,089,942.71 | Short Term Inv Trust Trsy | 6/30/2012 | variable | 0.02% | \$1,089,942.71 | \$1,089,942.71 | 1.3 | AAA/Aaa |
| Subtotal | | | | | | | | | |
| Acct # 364178 Principal Account | \$1,092,942.33 | Short Term Inv Trust Trsy | 6/30/2012 | variable | 0.02% | \$1,092,942.33 | \$1,092,942.33 | 1.3 | AAA/Aaa |
| Subtotal | | | | | | | | | |
| Total | | | | | | | | | |