

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



60213

FROM: General Manager-Chief Engineer

SUBMITTAL DATE:
February 9, 2016

SUBJECT: Quarterly Disclosure Report on Investment Portfolio
(October thru December 2015), [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive the attached *Quarterly Disclosure Report* on Investment Portfolio as of December 2015 and file with the Clerk of the Board.

BACKGROUND:

Summary

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
201849

WARREN D. WILLIAMS
General Manager-Chief Engineer

FISCAL PROCEDURES APPROVED
 JEANINE J. REY, FINANCE DIRECTOR

 JEANINE J. REY

| FINANCIAL DATA | Current Fiscal Year: | Next Fiscal Year: | Total Cost: | Ongoing Cost: | POLICY/CONSENT (per Exec. Office) |
|-------------------|----------------------|-------------------|-------------|---------------|--|
| COST | \$ N/A | \$ N/A | \$ N/A | \$ N/A | Consent <input type="checkbox"/> Policy <input type="checkbox"/> |
| NET DISTRICT COST | \$ N/A | \$ N/A | \$ N/A | \$ N/A | |

| | |
|-----------------------------|-------------------------------|
| SOURCE OF FUNDS: N/A | Budget Adjustment: N/A |
| | For Fiscal Year: N/A |

C.E.O. RECOMMENDATION:

APPROVE

BY:
Steven C. Horn

County Executive Office Signature

MINUTES OF THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT

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

Ayes: Jeffries, Tavaglione, Washington, Benoit and Ashley
Nays: None
Absent: None
Date: February 9, 2016
xc: Flood

Kecia Harper-Ihem
Clerk of the Board
By:
Deputy

Prev. Agn. Ref.: | **District:** ALL | **Agenda Number:**

- Positions Added
- Change Order
- A-30
- 4/5 Vote

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT
BOARD OF SUPERVISORS, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA
FORM 11: Quarterly Disclosure Report on Investment Portfolio**

(October thru December 2015), [\$0]

DATE: February 9, 2016

PAGE: Page 2 of 2

BACKGROUND:

Summary (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.

Impact on Residents and Businesses

N/A

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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, the 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, 2015.

| Risk | Type | Cost | Market | % |
|------|---|-----------------|-----------------|---------|
| 1.0 | US Treasury Bond | \$ 713,547.50 | \$ 887,696.46 | 6.85% |
| 1.0 | First American Govt. Obligation Fund CI Y | \$11,988,940.64 | \$11,988,940.64 | 92.56% |
| 1.2 | US Bank Money Market | \$ 75,373.93 | \$ 75,373.93 | .59% |
| | Totals | \$12,777,862.07 | \$12,952,011.03 | 100.00% |
| | Paper (Loss)/Gain* | | \$ 174,148.96 | |

- Fiscal Year to Date Interest Earnings is \$30,518.24

Footnotes:

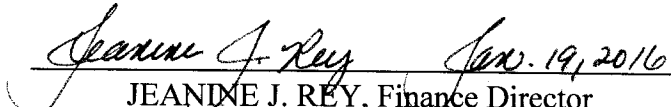
Generally, the level of risk takes into account two major components; the default or credit risk and the market risk associated with the probability that the security will be affected by market changes in short-term interest rates. Risk ranking has been assigned with 1.0 being the lowest level of risk 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, 2015, the liquidity position of the portfolio was:

| | | |
|-----------------------------|-----------------|--------|
| Maturities less than 1 Year | \$ 75,373.93 | .59% |
| Maturities more than 1 Year | \$12,876,637.10 | 99.41% |

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


JEANINE J. REY, Finance Director

Riverside County Flood Control and Water Conservation District
Investment Portfolio Maturity Summary
 December 31, 2015

| MONTH | MATURITY | ISSUE | ACCOUNT | PAR | SECURITY | TRUSTEE |
|--------------------|----------|---|-----------------------------|------------------------|--|----------|
| 8/15/2016 | | Elsinore Valley Benefit Assessment District, Zone 3 | Assessment Fund | \$310,720.80 | US Treasury Bond | U S Bank |
| Less Than One Year | | Elsinore Valley Benefit Assessment District, Zone 3 | Assessment Fund | \$13,434.37 | 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 | \$487,451.25 | US Treasury Bond Stripped Int Pmt | U S Bank |
| 8/15/2016 | | Elsinore Valley Benefit Assessment District, Zone 3 | Reserve Fund | \$70,708.90 | US Treasury Bond | U S Bank |
| 2/15/2017 | | Elsinore Valley Benefit Assessment District, Zone 3 | Reserve Fund | \$18,815.51 | US Treasury Bond | U S Bank |
| Less Than One Year | | Elsinore Valley Benefit Assessment District, Zone 3 | Administrative Expense Fund | \$5,438.16 | US Bank Money Market | U S Bank |
| Less Than One Year | | Elsinore Valley Benefit Assessment District, Zone 3 | Earnings Fund | \$56,494.10 | 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 |
| 9/1/2024 | | 2015 Negotiable Promissory Note, Zone 4 | Construction Fund | \$11,955,698.75 | First American Govt Obligation Fund CI Y | U S Bank |
| 9/1/2024 | | 2015 Negotiable Promissory Note, Zone 4 | Cost of Issuance Fund | \$33,241.89 | First American Govt Obligation Fund CI Y | U S Bank |
| Total | | | | \$12,952,011.03 | | |

Riverside County Flood Control and Water Conservation District
 Statement of Investments as of 12/31/15
 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 | 312,000.00 | US Treasury Bond Generic Int Pmt | | | | 0.000% | \$256,354.80 | \$310,720.80 | 1.0 | S&P - AA+ Rated Backed By US Treasury Bd |
| 95417380 | 13,434.37 | US Bank Money Market | | | | 0.020% | \$13,434.37 | \$13,434.37 | 1.0 | US Bank Money Market Cash Equivalents |
| 95417380 | Subtotal | | | | | | \$269,789.17 | \$324,155.17 | | |
| 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 | \$70,708.90 | 1.0 | S&P - AA+ Rated Backed By US Treasury Bd |
| 95417386 | 19,000.00 | US Treasury Bond | | | | 3.180% | \$15,156.30 | \$18,815.51 | 1.0 | S&P - AA+ Rated Backed By US Treasury Bd |
| 95417386 | 495,000.00 | US Treasury Bond | | | | 0.000% | \$383,699.25 | \$487,451.25 | 1.0 | S&P - AA+ Rated Backed By US Treasury Bd |
| 95417386 | Subtotal | | | | | | \$457,200.00 | \$576,982.96 | | |
| 95417382 | 0.00 | US Bank Money Market | | | | 0.000% | \$0.00 | \$0.00 | 1.2 | US Bank Money Market Cash Equivalents |
| 95417382 | Subtotal | | | | | | \$0.00 | \$0.00 | | |
| 95417383 | 0.00 | US Bank Money Market | | | | 0.000% | \$0.00 | \$0.00 | 1.2 | US Bank Money Market Cash Equivalents |
| 95417383 | Subtotal | | | | | | \$0.00 | \$0.00 | | |
| 95417381 | 5,438.16 | US Bank Money Market | | | | 0.020% | \$5,438.16 | \$5,438.16 | 1.2 | US Bank Money Market Cash Equivalents |
| 95417381 | Subtotal | | | | | | \$5,438.16 | \$5,438.16 | | |
| 95417387 | 56,494.10 | US Bank Money Market | | | | 0.020% | \$56,494.10 | \$56,494.10 | 1.2 | US Bank Money Market Cash Equivalents |
| 95417387 | Subtotal | | | | | | \$56,494.10 | \$56,494.10 | | |
| Total | | | | | | | \$788,921.43 | \$963,070.39 | | |