

SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 2.6  
(ID # 23268)

MEETING DATE:  
Tuesday, October 31, 2023


FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Receive and File the Independent Accountant's Report on Agreed Upon Procedures for the fiscal year ended June 30, 2023 and the Investment Report as of June 30, 2023 for Pension Obligation Bonds. All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Receive and file the Independent Accountant's Report on Agreed Upon Procedures for the Pension Obligation Bonds for the fiscal year ended June 30, 2023; and
2. Receive and file the Investment Report of the Pension Obligation Bonds as of June 30, 2023.

ACTION: Consent


  
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Don Kent, Director of Finance 10/16/2023

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MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Gutierrez, seconded by Supervisor Spiegel and duly carried, IT WAS ORDERED that the above matter is received and filed as recommended.

Ayes: Jeffries, Spiegel, Washington and Gutierrez  
Nays: None  
Absent: Perez  
Date: October 31, 2023  
xc: E.O.

Kimberly A. Rector  
Clerk of the Board  
By:   
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$0	\$0	\$0	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment:</b>	No
			<b>For Fiscal Year:</b>	2022-2023

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

**BACKGROUND:**

**Summary**

Pursuant to Section IV of Board Policy B-21, the County of Riverside Investment Oversight Committee (IOC) engaged the external auditors of Van Lant & Fankhanel, LLP to perform an Agreed Upon Procedures (AUP) engagement to meet the intended purpose of assisting users in understanding the County's compliance with the Treasurer's annual investment policy and the California Government Code, for the Treasurer's investment portfolio and the investment portfolios of other entities such as the Pension Obligation Bonds. The AUP engagement was performed in accordance with the attestation standards established by the American Institute of Certified Public Accountants.

The annual engagement includes the following: A.) assure accurate identification and classification of all securities noted on portfolio reports, B.) assure accurate market value pricing of all securities and identify the source of the pricing information, C.) confirm present ratings assigned by the nationally recognized statistical rating organizations on all commercial paper, medium term notes, money market funds, municipal securities and investment contracts, D.) confirm that maturities on investments coincide with cash-flow requirements (i.e., debt service and claim disbursement requirements), and E.) determine that policies governing bond fund investments are current and internal control measures are deemed adequate.

Pursuant to the Policy, on October 26, 2023, the IOC reviewed the Independent Accountant's Report which showed no exceptions (no findings noted) on all areas of the AUP for the Pension Obligation Bonds. The IOC reviewed the Investment Report on its July 27, 2023, meeting.

In compliance with the Policy, the Independent Accountant's Report on AUP and the Investment Report to the Board of Supervisors as the County's governing board.

**Impact on Residents and Businesses**

No impact on residents and businesses

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
STATE OF CALIFORNIA**

**ATTACHMENTS:**

1. Independent Accountant's Report on Agreed Upon Procedures for the fiscal year ended June 30, 2023
  
2. Investment Report of the Pension Obligation Bonds as of June 30, 2023

  
Michael Ambolo, Chief Finance Officer      10/17/2023



**INDEPENDENT ACCOUNTANT'S REPORT  
ON APPLYING AGREED-UPON PROCEDURES**

The Investment Oversight Committee  
County of Riverside, California

We have performed the procedures enumerated below on the County's compliance with the Treasurer's annual investment policy and the California Government Code, for the Treasurer's investment portfolio and the investment portfolios of the other entities listed in the attached procedures, for the fiscal year ended June 30, 2023. The County's management is responsible for the County's compliance with those requirements.

The Investment Oversight Committee of the County of Riverside has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of assisting users in understanding the County's compliance with the Treasurer's annual investment policy and the California Government Code, for the Treasurer's investment portfolio and the investment portfolios of the other entities listed in the attached procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are included in the attached schedule.

We were engaged by the Investment Oversight Committee of the County of Riverside to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an audit or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on the County's compliance with the Treasurer's annual investment policy and the California Government Code, for the Treasurer's investment portfolio and the investment portfolios of the other entities listed in the attached procedures. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County of Riverside and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Investment Oversight Committee, the County of Riverside Board of Supervisors, and Management, and is not intended to be and should not be used by anyone other than these specified parties.

*Van Lant & Fankhanel, LLP*

Murrieta, California

October 9, 2023

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**Van Lant & Fankhanel, LLP**

29970 Technology Drive, Suite 105 A  
Murrieta, CA 92563  
909.856.6879

## AGREED-UPON PROCEDURES

### County Treasury:

Concerning the structure and risk of the Treasurer's portfolio, we selected the quarter ended June 30, 2023:

1. Determine that all securities within the portfolio are legally authorized and met the credit quality and other purchase restrictions set forth in Government Code Section 53601, 53635, and Investment Policy. Identify any securities held which met the purchase restrictions referenced above, but would not currently meet such requirements.

#### Results:

**Legal Authorization:** No exceptions were noted as a result of our procedures.

**Credit Quality:** No exceptions were noted as a result of our procedures.

**Other Purchase Restrictions:** No exceptions were noted as a result of our procedures. We did not identify any securities held which met the purchase restrictions when purchased, but would not currently meet such requirements.

2. Determine that all securities meet the five-year maximum or earlier maturity restriction established by Government Code Sections 53601, 53635, and Investment Policy or have been duly authorized as an exception thereto.

Results: No exceptions were noted as a result of our procedures.

3. Determine if the Treasury is engaged in reverse repurchase agreements and whether or not the portfolio is in compliance with the restrictions noted in Government Code Section 53601(1) and whether the Treasury is engaged in any form of leverage (i.e., security lending agreements, taxable Tax and Revenue Anticipation Notes), not otherwise permitted by the Treasurer's Statement of Investment Policy and approved by the Board of Supervisors.

Results: No exceptions were noted as a result of our procedures. As of June 30, 2023, the Treasury was not engaged in any reverse repurchase agreements or any form of leverage as listed above.

4. Determine that the Treasury is not engaged in any prohibited investments such as those noted in Government Code Section 53601.6 (inverse floaters, range notes, or mortgage-derived, interest-only strips).

Results: No exceptions were noted as a result of our procedures.

5. Determine that investments or reinvestments of note proceeds are limited to and do not exceed the maturity date of the notes, in keeping with Government Code Sections 53821.5, 53852.5, and 53859.02.

Results: No exceptions were noted as a result of our procedures.

**Other Investing Activities Outside of the County Treasury:**

County of Riverside Asset Leasing Corporation  
County of Riverside Successor Agency to the Redevelopment Agency  
County Executive Office for:  
Community Facility Districts/Assessment Districts  
County of Riverside Infrastructure Financing Authority  
County of Riverside Pension Obligation Bonds

1. For each of the aforementioned entities, the following procedures were performed on the quarterly portfolio disclosure report for the quarter ended June 30, 2023:

A. Assure accurate identification and classification of all securities noted on portfolio reports.

*County of Riverside Asset Leasing Corporation*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Successor Agency to the Redevelopment Agency*

**Results:** No exceptions were noted as a result of our procedures.

*County Executive Office for:*

*Community Facility Districts/Assessment Districts*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Infrastructure Financing Authority*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Pension Obligation Bonds*

**Results:** No exceptions were noted as a result of our procedures.

B. Assure accurate market value pricing of all securities and identify the source of the pricing information.

**Results:** For all the entities below, the market values provided in the Fiscal Agent statements as of June 30, 2023 were used as the source of pricing information.

*County of Riverside Asset Leasing Corporation*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Successor Agency to the Redevelopment Agency*

**Results:** No exceptions were noted as a result of our procedures.

County Executive Office for:

Community Facility Districts/Assessment Districts

**Results:** No exceptions were noted as a result of our procedures.

County of Riverside Infrastructure Financing Authority

**Results:** No exceptions were noted as a result of our procedures.

County of Riverside Pension Obligation Bonds

**Results:** No exceptions were noted as a result of our procedures.

- C. Confirm present rating assigned by New York Rating Agencies on all commercial paper, medium term notes, money market funds, municipal securities and investment agreement contracts. Confirm other ratings assigned, if available, for any investments not rated by New York Rating Agencies.

County of Riverside Asset Leasing Corporation

**Results:** No exceptions were noted as a result of our procedures.

County of Riverside Successor Agency to the Redevelopment Agency

**Results:** No exceptions were noted as a result of our procedures.

County Executive Office for:

Community Facility Districts/Assessment Districts

**Results:** No exceptions were noted as a result of our procedures.

County of Riverside Infrastructure Financing Authority

**Results:** No exceptions were noted as a result of our procedures.

County of Riverside Pension Obligation Bonds

**Results:** No exceptions were noted as a result of our procedures.

2. For each entity listed above, perform the following procedures on the investments:

- A. Confirm that maturities on investments coincide with cash-flow requirements (i.e. debt service and claim disbursement requirements).

County of Riverside Asset Leasing Corporation

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Successor Agency to the Redevelopment Agency*

**Results:** No exceptions were noted as a result of our procedures.

*County Executive Office for:*

*Community Facility Districts/Assessment Districts*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Infrastructure Financing Authority*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Pension Obligation Bonds*

**Results:** No exceptions were noted as a result of our procedures.

- B. Determine that policies governing bond fund investments are current and internal control measures are deemed adequate.

*County of Riverside Asset Leasing Corporation*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Successor Agency to the Redevelopment Agency*

**Results:** No exceptions were noted as a result of our procedures.

*County Executive Office for:*

*Community Facility Districts/Assessment Districts*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Infrastructure Financing Authority*

**Results:** No exceptions were noted as a result of our procedures.

*County of Riverside Pension Obligation Bonds*

**Results:** No exceptions were noted as a result of our procedures.





COLUMBIA CAPITAL  
MUNICIPAL ADVISORS

6700 Antioch, Suite 250  
Merriam, Kansas 66204

July 11, 2023

Mr. Don Kent  
Director of Finance  
County of Riverside  
4080 Lemon Street, 4<sup>th</sup> Floor  
Riverside, CA 92501

Dear Mr. Kent:

Enclosed is the Investment Holdings Report for the Pension Obligation Bonds of the County of Riverside for the period ending June 30, 2023 (the "Report Date"). This report contains various summaries and underlying details of the issues and accounts, as well as a detailed listing of investment holdings for each individual series of bonds outstanding as of the Report Date.

Please let me know if you have any questions and thank you for the opportunity serve the County.

Sincerely,

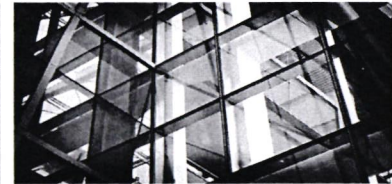
Jeff White  
Managing Member



# COUNTY OF RIVERSIDE

## CALIFORNIA

June 30, 2023  
Quarterly Investment Report  
County of Riverside, California  
Pension Obligation Bonds



**Pension Obligation Bonds Summary by Asset:**

Security	Quantity	Total Cost	Market Value	Percentage of Portfolio
MASS MUTUAL	218,104.95	\$218,104.95	\$218,104.95	3%
GOLDMAN SACHS GOVT INST FUND	6,319,157.79	6,319,157.79	6,319,157.79	97%
<b>Grand Total</b>	<b>6,537,262.74</b>	<b>\$6,537,262.74</b>	<b>\$6,537,262.74</b>	<b>100%</b>

**Pension Obligation Bonds Summary by Series:**

Issue	Market Value
Taxable Pension Obligation Bonds Series 2005A and 2020A	\$6,537,262.74
<b>Grand Total:</b>	<b>\$6,537,262.74</b>

**Pension Obligation Bonds Market Value by Account:**

<b>Taxable Pension Obligation Bonds Series 2005A and 2020A</b>	
17295800 - Bond Account	\$1,929,526.04
17295804 - Pension Liability Account	4,607,736.64
17295807 - Redemption Account	0.06
<b>Total:</b>	<b>\$6,537,262.74</b>
<b>Grand Total:</b>	<b>\$6,537,262.74</b>

# Pension Obligation Bonds

## ISSUES

1. 2005A Pension Obligation Bonds
2. 2020 Pension Obligation Bonds

**PENSION OBLIGATION BONDS**  
**2005A Pension Obligation Bonds**  
**\$400,000,000**

Dated Date: 2/17/2005	S&P: AA	Arbitrage Yield: Taxable
Due: 2/15/2035	Moody's: Aa2	Arbitrage Position: Taxable
Call Date:	Fitch: A+	Arbitrage Last Calc: Taxable
Trustee: Wells Fargo		
Base CUSIP: 76913C		

**PENSION OBLIGATION BONDS**  
**2020 Pension Obligation Bonds**  
**\$719,995,000**

Dated Date: 5/6/2020	S&P: AA	Arbitrage Yield: Taxable
Due: 2/15/2038	Moody's: Aa2	Arbitrage Position: Taxable
Call Date:	Fitch:	Arbitrage Last Calc: Taxable
Trustee: Wells Fargo		
Base CUSIP: 76913C		

FIXED INCOME PORTFOLIO								
June 30, 2023								
Portfolio	Security	Yield	Maturity	S & P	Moody's	Shares	Total Cost	Market Value
<b>Taxable Pension Obligation Bonds Series 2005A and 2020A</b>								
17295800 - Bond Account	GOLDMAN SACHS GOVT INST FUND	5.02%			Aaa	1,929,526.04	\$ 1,929,526.04	\$ 1,929,526.04
17295804 - Pension Liability Account	MASS MUTUAL	4.83%	2/12/35			218,104.95	218,104.95	218,104.95
17295804 - Pension Liability Account	GOLDMAN SACHS GOVT INST FUND	5.02%			Aaa	4,389,631.69	4,389,631.69	4,389,631.69
17295807 - Redemption Account	GOLDMAN SACHS GOVT INST FUND	5.02%			Aaa	0.06	0.06	0.06
						6,537,262.74	\$ 6,537,262.74	\$ 6,537,262.74