

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



ITEM: 2.10  
(ID # 24159)

**MEETING DATE:**  
Tuesday, February 27, 2024

**FROM :** AUDITOR CONTROLLER:

**SUBJECT:** AUDITOR-CONTROLLER: County of Riverside Statement of Net Position of the Treasurer's Investment Pool as of June 30, 2023, All Districts [\$0]

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Receive and file the Fiscal Year 2022-23 Statement of Net Position of the Treasurer's Investment Pool with Independent Auditor's Report

**ACTION:**Consent

*Ben J. Benoit*  
Ben J. Benoit, COUNTY AUDITOR-CONTROLLER 2/6/2024

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**MINUTES OF THE BOARD OF SUPERVISORS**

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

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: February 27, 2024  
xc: Auditor Controller

Kimberly A. Rector  
Clerk of the Board  
By: *Naomy A. Rector*  
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	\$ 0.0	\$ 0.0
<b>NET COUNTY COST</b>	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.0
<b>SOURCE OF FUNDS: N/A</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: n/a</b>	

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

**BACKGROUND:**

**Summary**

The county's fiscal year 2022-23 Statement of Net Position of the Treasurer's Investment Pool with Independent Auditor's Report is hereby submitted in accordance with Sections 26920(a) and 26922 of the Government Code of the State of California. The county's external auditors, Brown Armstrong Accountancy Corporation, performed the audit to determine whether cash and investments as shown on the Statement of Net Position of the Treasurer's Investment Pool as of June 30, 2023, were presented fairly.

Based on the results of their audit, the Statement of Net Position presents fairly, the financial position of the investment pool of the County of Riverside as of June 30, 2023. Internal controls over financial reporting and tests of compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters were also evaluated.

**Impact on Residents and Businesses**

Provide an assessment of internal controls over the audited areas.

**Attachments:**

A: Fiscal year 2022-23 Statement of Net Position of the Treasurer's Investment Pool with Independent Auditor's Report

**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL**

**STATEMENT OF NET POSITION  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**JUNE 30, 2023**

**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL  
JUNE 30, 2023**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Supervisors  
County of Riverside, California

**Report on the Audit of the Financial Statements*****Opinions***

We have audited the accompanying Statement of Net Position of the Treasurer's Investment Pool of the County of Riverside, California (the County), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the County's Treasurer's Investment Pool's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Statement of Net Position of the Treasurer's Investment Pool of the County, as of June 30, 2023, and the respective changes in financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control relating to the Treasurer's Investment Pool. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2024, on our consideration of the County's internal control over financial reporting relating to the Treasurer's Investment Pool and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance relating to the Treasurer's Investment Pool.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

Handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation".

Bakersfield, California  
January 18, 2024

**BASIC FINANCIAL STATEMENT**

**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL  
STATEMENT OF NET POSITION  
JUNE 30, 2023  
(Dollars in Thousands)**

ASSETS:

Cash and investments	\$ 13,036,046
Restricted cash and investments	<u>1,311,153</u>
Total assets	<u><u>\$ 14,347,199</u></u>

LIABILITIES AND NET POSITION:

Liabilities:

Due to others	\$ <u>-</u>
Total liabilities	<u>-</u>

Net position:

Held in trust for treasury pool participants	14,347,199
Total net position	<u><u>\$ 14,347,199</u></u>

The notes to the basic financial statement are an integral part of this statement.



**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL  
NOTES TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. Description of the Reporting Entity

As provided by Government Code Section 53600, the cash balances of substantially all of the County of Riverside's (the County) funds, as well as those of participating schools and agencies, are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The Treasurer's Investment Pool (the Pool) is managed by the County Treasurer and is not registered with the Securities and Exchange Commission. The Pool's investment objectives are to safeguard principal, meet the liquidity needs of the participants, and return an acceptable yield within the parameters of prudent risk management (California Government Code Sections 2700.5 and 53600.5). Additionally, there is an Oversight Committee comprised of County officials, representatives from various Pool participants, and members of the public, whose function is to monitor compliance with the County's investment policy. The Treasurer also reports on a monthly basis to the County Board of Supervisors.

B. Reporting Method

The Pool follows the accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB).

C. Investment Valuation

Pool investments are accounted for in accordance with the provisions of GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires governmental entities to report certain investments at fair value in the statement of net position and recognize the corresponding change in fair value of investments in the year in which the change occurred. The fair value of pooled investments is determined monthly and is based upon valuation provided by the Pool's safekeeping agent.

Pool investments are also accounted for in accordance with the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. Securities, including U.S. Treasury and Agency securities, are carried at fair value/cost based on current market prices, on a monthly basis. Repurchase agreements are carried at fair value based on quoted market prices, except for repurchase agreements maturing within ninety days of June 30, 2023, which are carried at cost. Bond anticipation notes are carried at fair value/cost. Commercial paper is carried at amortized cost/cost. Investments in bankers' acceptances and nonparticipating guaranteed investment contracts are carried at cost. Participating guaranteed investment contracts are carried at fair value based on net realizable value. Mutual funds are carried at fair value based on the funds' share price. Local Agency Obligations are carried at cost based on the value of each participating dollar.

The fair value of a participant's position in the pool is not the same as the value of pooled shares. The method used to determine the value of participants' equity withdrawn is based on the book value, amortized cost, and accrued interest of the participants' percentage at the date of such withdrawal.

**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL  
NOTES TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS**

**Cash and Investments**

As of June 30, 2023, cash and investments are classified in the County's financial statements as follows (in thousands):

	Governmental Activities	Business-Type Activities	Discretely Presented Component Units	Fiduciary Funds	Total
Cash and investments	\$ 2,009,828	\$ 181,352	\$ 44,190	\$ 10,800,676	\$ 13,036,046
Restricted cash and investments	1,199,337	111,816	-	-	1,311,153
<b>Total cash and investments</b>	<b>\$ 3,209,165</b>	<b>\$ 293,168</b>	<b>\$ 44,190</b>	<b>\$ 10,800,676</b>	<b>\$ 14,347,199</b>

As of June 30, 2023, cash and investments consist of the following (in thousands):

Deposits	\$ 288,848
Investments	<u>14,058,351</u>
<b>Total Cash and Investments</b>	<b><u>\$ 14,347,199</u></b>

**Investments Authorized by the California Government Code and the County's Investment Policy**

The table below identifies the investment types that are authorized for the County by the California Government Code or the County's investment policy, whichever is more restrictive. The table also identifies certain provisions that address interest rate, credit risk, and concentration of credit risk. A copy of the County's investment policy can be found at [www.treasurer-tax.co.riverside.ca.us](http://www.treasurer-tax.co.riverside.ca.us).

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Municipal Bonds (MUNI)	4 Years	15%	5%**
U.S. Treasuries	5 Years	100%	N/A
Local Agency Obligations (LAO)	3 Years	2.5%	2.5%
Federal Agencies	5 Years	100%	N/A
Commercial Paper (CP)	270 Days	40%	5% *
Certificate and Time Deposits (NCD and TCD)	1 Year	25%	5% *
Int'l Bank of Reconstruction and Development and Int'l Finance Corporation	4 Years	20%	N/A
Repurchase Agreements (REPO)	45 Days	40%	20%
Reverse REPOS	60 Days	10%	10%
Medium-Term Notes (MTNO) or Corporate Notes	3 Years	20%	5% *
CalTRUST Short-Term Fund	Daily Liquidity	1%	1%
Money Market Mutual Funds (MMF)	Daily Liquidity	20%	N/A
Local Agency Investment Fund (LAIF)	Daily Liquidity	Max \$50 Million	N/A
Cash/Deposit Account	N/A	N/A	N/A

\* Maximum of 5% per issuer in combined commercial paper, certificate and time deposits, and medium-term notes.

\*\* For credit rated below AA-/Aa3, a 2% maximum in one issuer only for State of California debt.

**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL  
NOTES TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Investments Authorized by the California Government Code and the County's Investment Policy**  
(Continued)

The County and its component units have the following recurring fair value measurements as of June 30, 2023 (in thousands):

	June 30, 2023	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating	Rating <sup>(1)</sup> June 30, 2023	% of Portfolio
<b>County Treasurer's Investments</b>							
<b>Investments by Fair Value Level</b>							
U.S. treasuries	\$ 2,164,901	0.22-5.42%	07/23-06/28	1.30	N/A	AA+/Aaa	15.70%
Agency	6,262,385	0.19-6.00%	07/23-06/28	1.83	N/A	AA+/Aaa	45.42%
Agency MBS	513,401	3.11-4.91%	07/23-06/28	2.97	N/A	AA+/Aaa	3.72%
Non-U.S. Gov	196,231	0.27-5.12%	09/23-02/27	1.23	AA/Aaa/AA	AA+/Aaa	1.42%
Municipal notes	181,453	0.21-4.85%	08/23-03/27	1.39	AA-/Aa3/AA-	AA+/Aa1	1.32%
Total County Treasurer's Investments by Fair Value Level	<u>9,318,371</u>						<u>67.58%</u>
<b>Investments Measured at Amortized Cost</b>							
Negotiable certificates of deposit	1,485,000	4.77-5.92%	08/23-03/24	0.45	A1/P1/F1	AA/P1	10.77%
Commercial paper	2,129,659	4.80-5.78%	07/23-03/24	0.19	A1/P1/F1	AA/P1	15.45%
Corporate	24,754	4.97%	01/24	0.55	N/A	NR/Aaa	0.18%
CalTRUST short-term fund	94,017	3.56%	07/23	0.00	N/A	N/A	0.68%
Money market mutual funds <sup>(2)</sup>	736,000	5.01-5.08%	07/23	0.01	AAA	AAA/Aaa	5.34%
Total Investments Measured at Amortized Cost	<u>4,469,430</u>						<u>32.42%</u>
Total County Treasurer's Investments	<u>13,787,801</u>						<u>100.00%</u>
<b>Blended Component Units Investments</b>							
<b>Measured at Amortized Cost</b>							
Money market funds	97,460	0.08-5.04%	6/30/2023	0.00	AAA	AAA/Aaa	36.02%
Certificates of deposit	1,000	0.05%	10/23	0.00	A1/P1/F1	N/R	0.37%
Local agency investment funds	4,257	0.00%	07/23	0.00	N/A	N/A	1.57%
Money market mutual funds <sup>(2)</sup>	167,615	0.01-7.26%	07/23	0.00	AAA	N/A	61.95%
Investment agreements	218	4.83%	02/35	0.00	N/A	N/A	0.08%
Total Blended Component Units Investments Measured at Amortized Cost	<u>270,550</u>						<u>100.0%</u>
Total Blended Component Units Investments	<u>270,550</u>						<u>100.0%</u>
Total Investments	<u>\$ 14,058,351</u>						

<sup>(1)</sup> Investment ratings are from Standard & Poor's (S&P) and Moody's Investor Service (Moody's).

<sup>(2)</sup> Government Code requires money market mutual funds to be rated.

**Fair Value Measurements**

The County and its component units categorize fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.
- Level 2: Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL  
NOTES TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Fair Value Measurements** (Continued)

- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the County's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk).

The County and component units have the following recurring fair value measurements as of June 30, 2023 (in thousands):

Investments by Fair Value Level	Fair Value Measurements Using			June 30, 2023
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
County Treasurer's Investments				
Investments by Fair Value Level				
U.S. treasuries	\$ 2,164,901	\$ -	\$ -	\$ 2,164,901
Agency	-	6,262,385	-	6,262,385
Agency MBS	-	513,401	-	513,401
Non-U.S. Gov	-	196,231	-	196,231
Municipal notes	-	181,453	-	181,453
<b>Total County Treasurer's Investments by Fair Value Level</b>	<b>2,164,901</b>	<b>7,153,470</b>	<b>-</b>	<b>9,318,371</b>
Investments Measured at Amortized Cost				
Negotiable certificates of deposit	-	-	-	1,485,000
Commercial paper	-	-	-	2,129,659
Corporate	-	-	-	24,754
CalTRUST short-term fund	-	-	-	94,017
Money market mutual funds <sup>(2)</sup>	236,000	-	500,000	736,000
<b>Total Investments Measured at Amortized Cost</b>	<b>236,000</b>	<b>-</b>	<b>500,000</b>	<b>4,469,430</b>
<b>Total County Treasurer's Investments</b>	<b>2,400,901</b>	<b>7,153,470</b>	<b>500,000</b>	<b>13,787,801</b>
Blended Component Units Investments				
Measured at Amortized Cost				
Money market funds	-	-	-	97,460
Certificates of deposit	-	-	-	1,000
Local agency investment funds	-	-	-	4,257
Mutual funds	-	-	-	167,615
Investment agreements	-	-	-	218
<b>Total Blended Component Units Investments Measured at Amortized Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270,550</b>
<b>Total Blended Component Units Investments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270,550</b>
<b>Total Investments</b>	<b>\$ 2,400,901</b>	<b>\$ 7,153,470</b>	<b>\$ 500,000</b>	<b>\$ 14,058,351</b>

**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL  
NOTES TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Investment in State Investment Pool**

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California (the State). The State Treasurer's Office reports its investments at fair value. The fair value of securities in the State Treasurer's pooled investment program, including LAIF, generally is based on quoted market prices. The State Treasurer's Office performs a quarterly fair market valuation of the pooled investment program portfolio and a monthly fair market valuation of all securities held against carrying cost. These valuations and financial statements are posted to the State Treasurer's Office website at [www.treasurer.ca.gov](http://www.treasurer.ca.gov). The fair value of the County's investment in this pool is reported in the accompanying financial statements at amounts based upon the County's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. As of June 30, 2023, reported under investments, Riverside University Health System – Medical Center (RUHS-Medical Center) had \$4.3 million in LAIF.

**Investments Authorized by Debt Agreements**

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements of the respective component units, rather than the general provisions of the California Government Code or the County's investment policy. These provisions allow for the acquisition of investment agreements with maturities of up to 30 years.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the measurement of how changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the more sensitive to changes in market interest rates of its fair value. One of the ways the County Treasurer manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so a portion of the portfolio is maturing, or coming close to maturity, to ensure the cash flow and liquidity required for operations.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by State or local government units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. GASB Statement No. 40 requires that a disclosure is made with respect to custodial credit risks relating to deposits. The County has cash deposits with fiscal agents in excess of federal depository insurance limits held in collateralized accounts with securities held by US Bank in the amount \$373.6 million. Investment securities are registered and held in the name of the County.

**COUNTY OF RIVERSIDE  
TREASURER'S INVESTMENT POOL  
NOTES TO STATEMENT OF NET POSITION  
JUNE 30, 2023**

**NOTE 2 – CASH AND INVESTMENTS** (Continued)

**Concentration of Credit Risk**

The investment policy of the County contains certain limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. In accordance with GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, the County should provide information about the concentration of credit risk associated with their investments in any one issuer that represent 5% or more of total County investments. These investments are identified on the investment table on page 5 of this report.

**Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**NOTE 3 – RESTRICTED CASH AND INVESTMENTS**

The amount of assets restricted by legal and contractual requirements at June 30, 2023, is as follows (in thousands):

<b><u>Governmental Activities</u></b>		
General Fund		\$ 674,850
Flood Control		4,491
Teeter Debt Service		28,092
ARP Act Coronavirus Relief		408,216
<b>Other Governmental Funds</b>		
CORAL	3,311	
Infrastructure Financing Authority	6,332	
Inland Empire Tobacco Securitization Authority	11,656	
Pension Obligation	62,389	
<b>Total Other Governmental Funds</b>		<u>83,688</u>
<b>Total Governmental Activities</b>		<u><b>1,199,337</b></u>
<b><u>Business-Type Activities</u></b>		
<b>Riverside University Health System - Medical Center</b>		
LAIIF	4,257	
Restricted Cash and Other Investments	14,802	
<b>Total Riverside University Health System - Medical Center</b>		<u>19,059</u>
<b>Waste Resources</b>		83,766
<b>Housing Authority</b>		1,935
<b>Flood Control</b>		<u>7,056</u>
<b>Total Business-Type Activities</b>		<u><b>111,816</b></u>
<b>Total Restricted Cash and Investments</b>		<u><b>\$ 1,311,153</b></u>

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF THE BASIC FINANCIAL STATEMENT PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Supervisors  
County of Riverside, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Statement of Net Position of the Treasurer's Investment Pool of the County of Riverside (the County) as of June 30, 2023, and the related notes to the financial statement, which collectively comprise the Treasurer's Investment Pool's basic financial statement and have issued our report thereon dated January 18, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the basic financial statement, we considered the County's internal control over financial reporting (internal control) relating to the County Treasurer's Investment Pool as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control relating to the County Treasurer's Investment Pool. Accordingly, we do not express an opinion on the effectiveness of the County's internal control relating to the County Treasurer's Investment Pool.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County Treasurer's Investment Pool's basic financial statement is free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance relating to the County Treasurer's Investment Pool. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance relating to the County Treasurer's Investment Pool. Accordingly, this communication is not suitable for any other purpose.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION

*Brown Armstrong*  
*Accountancy Corporation*

Bakersfield, California  
January 18, 2024